



# INSOLVENCY REGULATIONS 2022



Corporate Affairs Commission  
April 2022

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# **PART 1**

## **1.00 Introduction**

In exercise of the power conferred by Section 867 of the Companies and Allied Matters Act, 2020 (Principal Act), the Commission hereby makes the following Regulations.

## **1.01 Scope**

These Regulations are made to give effect to:

- Part 1:** Introduction, Scope, Definition of Terms, Accreditation of Insolvency Practitioner under Chapter 26, Part B – Pages 1-11
- Part 2:** Companies Voluntary Arrangement - Pages 12-30
- Part 3:** Administration of Companies – Pages 31-80
- Part 4:** Proxies and Corporate Representation - Pages 81-85
- Part 5:** Creditors Committee - Pages 86-97
- Part 6:** Reporting and Remuneration of Administrators – Pages 98 - 112
- Part 7:** Notice of Netting Event to the Commission - - Page 113
- Part 8:** Notice of Appointment of Receiver/Manager to the Commission - Page 114
- Part 9:** Notice of Compulsory Winding-Up to the Commission – Page 115
- Part 10:** Notice of Creditors' Voluntary Winding-Up to the Commission – Page 116 - 117
- Part 11:** Notice of Arrangements and Compromise to the Commission – Page 118
- Part 12:** Dissolution of Incorporated Trustees and other forms of Dissolution–Page 119 -120
- Part 13:** Miscellaneous – Page 121
- Schedules:** Pages 122 - 129

**1.02** References to insolvency proceedings and requirements relating to such proceedings are, unless the context otherwise requires refer to proceedings in 1.01 above.

- 1.03** (a) These Regulations shall not apply to rules of Court relating to Insolvency applications and Members Voluntary Winding-up.
- (b) These Regulations on notices on Netting Event, appointment of Receiver and/or Manager, Compulsory Winding-Up, Creditors' Voluntary Winding-Up, Arrangements and Compromise and

Dissolution of Incorporated Trustees should be read along with the provisions of the Principal Act, other sector specific legislations and statutory instruments on the subject matter.

#### 1.04 Repeal

These Regulations repeal Clause 24 of the Companies Regulations 2021.

#### 1.05 Definition of Terms

**“active participatory tutelage”** means verifiable evidence of involvement in insolvency proceedings from commencement to conclusion.

**“administrator”** of a company means a person appointed under any of the means under Chapter 18, Part B of the Principal Act to manage the affairs, business and property of the Company.

**“an associate”** includes -

- a. *individual’s spouse; individual or spouse’s* grandparents, parents, siblings, children, grandchildren, nieces, nephews, uncles, cousins and aunties;
- b. *a partnership or relatives of the partner;*
- c. employer or employee;
- d. trustees save trustees appointed under a Bankruptcy Act, Pension Scheme or Employees Shares’ Scheme;
- e. holding companies, subsidiaries or associates.

**“attendance”** means physical presence at a meeting or remotely participating at a virtual meeting in person or by proxy or by corporate representative.

**“authentication”** means -

- a. in case of hard copy of a document, if it is signed by an individual;
- b. if the individual is signing on behalf of a legal entity, the document shall also state that fact and the relation of the person to the body;
- c. where the body is a corporate sole, the document shall state that fact;
- d. where the document is in electronic format the identity of the sender shall be confirmed by the recipient or where the recipient is not so specified, the communication is accompanied by a statement of identity of the sender and the recipient has no reason to doubt the truth of that statement.

**“business documents”** include invoice, order for goods or services, business letter and order form whether in hard or electronic form.

**“Corporate Affairs Commission” (CAC)** means a body established under Section 1 of the Principal Act also referred to as the **“Commission”**.

**“CAC accreditation number”** for the purpose of this Regulation, means the number assigned to an Insolvency Practitioner by the Commission.

**“company”** means—

- a. a company registered or deemed to have been registered under the Principal Act or any other special legislation relating to companies; or
- b. any other corporate entity which is recognized under rules or orders made by the Minister.

**“connected person”** includes a director or shadow director of the company or an associate of such a director or shadow director or the company.

**“correspondence”** includes correspondence by telephonic or other electronic means.

**“CPR”** means the Federal High Court (Civil Procedure) Rules.

**“creditors’ meeting”** has the meaning given under section 487 of the Principal Act.

**“CVA”** means company voluntary arrangement in relation to a company under Chapter 17 of the Principal Act.

**“days”** mean calendar days of the week, including Saturdays and Sundays.

**“delivery of document”** means -

- a. personal delivery;
- b. electronic delivery.

Where a document is to be delivered to a person (other than by being served on that person), it may be delivered to any other person authorized in writing to accept delivery on behalf of the first mentioned person.

Where there are joint office holders in insolvency proceedings, delivery of document to one of them is to be treated as delivery to all of them.

Where a document is sent by electronic means, the following conditions apply-

- a. The recipient has given actual or deemed consent for the electronic delivery of the document;
- b. The recipient has not revoked the consent before the document is sent;
- c. The recipient has provided an electronic address for the delivery of the document;
- d. An intended recipient is deemed to have consented to electronic delivery of document by the office holder where the intended recipient and the person who is the subject of the insolvency proceedings had customarily communicated with each other by electronic means before the proceedings commenced;

- e. An electronic document is deemed to have been delivered to an electronic address where the sender can produce a copy of the electronic communication which contains the document and shows the time, date and the electronic address to which it was sent;
- f. An electronic document is deemed to have been delivered to an electronic address to which it is sent at 9:00am on the next day after it was sent;
- g. A document may not be delivered to a court by electronic means unless it is expressly permitted by CPR, Practice Direction or these Regulations;
- h. A document delivered by electronic means is to be treated as delivered if it is recorded as having been received or otherwise as the CPR or Practice Direction or these Regulations prescribe;
- i. Where an office holder delivers a document by electronic means, the document shall contain or be accompanied by a statement that the recipient may request a hard copy of the document and a telephone number, email address and postal address that may be used to make that request.

An office holder who receives such request shall deliver a hard copy of the document to the recipient free of charge within 5 (five) working days of receipt of the request.

***Use of website by office holders to deliver documents***

- a. An office holder who is required to deliver a document to any person may except where personal delivery is required satisfy that requirement by delivering a notice to that person which contains a statement that –
  - i. the document is free for viewing and downloading on a website,
  - ii. the website address and any password necessary to view and download the document, and
  - iii. the person to whom the notice is delivered may request a hard copy of the document with a telephone number, email address and postal address which may be used to make that request;
- b. An office holder who receives such request shall deliver a hard copy of the document to the recipient free of charge within 5 (five) working days of receipt of the request;
- c. A document to which notice under (a) above relates shall remain available for the period of the insolvency proceedings and two (2) months thereafter or the release of the last person to hold office as the office holder in those proceedings;

- d. Document shall be in a format that enables it to be downloaded within a reasonable time of an electronic request being made for it to be downloaded;
- e. A document delivered to a person by means of website in accordance with this regulation is deemed to have been delivered when the document is first made available on the website or when the notice under (a) is delivered to that person if that is later;
- f. The office holder may deliver a notice to each person to whom a document will be required to be delivered in the insolvency proceedings which contains a statement that future documents in the proceedings other than those mentioned in paragraph (b) above will be made available for viewing and downloading on a website without notice to the recipient and that the office holder will not be obliged to deliver such documents to the recipient of the notice unless it is requested by that person;
- g. The recipient provides a telephone number, email address and postal address which may be used to make a request for a hard copy of a document;
- h. A statement that a recipient of the notice may at any time request a hard copy of any or all of the following -
  - i. All documents currently available for viewing on the website,
  - ii. All future documents which may be made available there and the address of the website, any password required to view and download a relevant document from that site;
- i. A statement under (h) above does not apply to documents for which personal delivery is required or a document which is not delivered generally;
- j. A document is delivered generally if it is delivered to all or some of the following classes of persons -
  - ii. Members,
  - iii. Creditors,
  - iv. Any class of members or creditors;
- k. An office holder who has delivered a notice under (f) is under no obligation to notify a person to whom the notice has been delivered when a document to which the notice applies has been made available on the website or to deliver a hard copy of such document unless a request is received under (a) above;
- l. An office holder who receives such a request in respect of a hard copy of a document which is already available on the website shall deliver a hard

copy of the document to the recipient free of charge within five (5) working days of receipt of the request and in respect of all future documents shall deliver each document in accordance with the requirements for delivery of such a document in the Principal Act and these regulations;

- m. A document delivered through the website shall remain available for download on the website for the period of the insolvency proceedings and two (2) months thereafter;
- n. The documents shall be in such a format as to enable it to be downloaded within a reasonable time of an electronic request being made for it to be downloaded;
- o. A document which is delivered to a person by means of a website in accordance with these Regulations is deemed to have been delivered, when the relevant document is made available on the website or if later, when the notice under paragraph (a) is delivered to that person;
- p. Deemed delivery does not apply to a person who has requested for hard copy of current or future documents.

**“document”** includes a statement or anything in writing capable of being delivered to a recipient.

**“fees estimate”** means a written estimate that specifies-

- a. Details of the work the insolvency practitioner (IP) and the IP’s staff propose to undertake;
- b. The hourly rate or rates the IP or IP’s staff proposes to charge for each part of that work;
- c. The time the IP anticipates each part of that work will take;
- d. Whether the IP anticipates it would be necessary to seek further approval from the creditors, creditors committee or the court; and
- e. The reasons it will be necessary to seek such approval.

**“file with the court”** includes delivery to the court for filing or submission to the court.

**“enters administration”** has the meaning given under section 549 (2) (a) of the Principal Act.

**“fees”** mean the payment for the services of the insolvency practitioner and is chargeable for work accomplished.

**“floating charge”** has the meaning given under section 203(1) of the Principal Act.

**“gazette”** means the Official Gazette of the Federation.

**“gazette notice”** means a notice which is, has been or is to be gazette.

**“hire-purchase agreement”** includes a conditional sale agreement, a chattel leasing agreement and retention of title agreement under Section 549(1) (b) of the Principal Act.

**“holder of a floating charge”** in respect of a company’s property has the meaning given under section 452 of the Principal Act.

**“identification details”** has the same meaning as **“authentication”**.

**“instrument”** includes any written legal document that records a formal execution of legally enforceable act or agreement, and secures their associated legal rights, obligations and duties.

**“in administration”** has the meaning given under Section 549(2)(b) of the Principal Act.

**“insolvency practitioner” (IP)** means one or more persons duly accredited by the Commission to undertake insolvency proceedings.

**“insolvent estate”** means assets of insolvent company.

**“market value”** means the amount which would be realized on a sale of property in the open market by a willing vendor.

**“meeting”** under this regulation means either physical or virtual meeting.

**“member”** includes a representative or a proxy.

**“month”** means a period commencing at the beginning of a day of one of the twelve months of the year and ending immediately before the beginning of the corresponding day of the next month.

**“netting event”** includes suspension, or revocation of license or any other insolvent intervention in a regulated entity by sector specific regulator in the financial industry.

**“nominated person”** is a person who has been appointed to make out and submit a statement as to the affairs of a company in administrative receivership or winding up by the court.

**“nominee”** is a person duly appointed under Section 434 of the Principal Act and includes a proposed nominee or supervisor in relation to a proposal for a CVA.

**“office-holder”** means a person who under the Principal Act or this regulation holds an office in relation to insolvency proceedings.

**“permission of the court”** means leave or consent of the court.

**“petitioner”** has the meaning given under section 573 of the Principal Act.

**“practice direction”** means practice and procedure issued by the Chief Judge of the Federal High Court.

**“principal act” (the Act)** means Companies and Allied Matters Act No. 3, 2020

**“progress report”** means administrator’s report of the administration.

**“proof”** is a document by which a creditor makes a claim of the debt.

**“prove”** means a written claim of a debt.

**“proxy”** is a document by which a creditor or member authorizes another person (“the proxy holder”) to act as the representative of the creditor or member at a meeting or meetings.

**“purpose of administration”** means an objective specified under section 444 of the Principal Act.

**“recipient”** includes creditors, administrators, members of the company, nominees, supervisors, the company, directors or any other person prescribed by the Principal Act or this regulation.

**“scheme of arrangement”** has the meaning given under Section 434 of the Principal Act.

**“standard contents”** means—

- a. For a gazette notice the standard contents set out in regulations 3.24, 3.34, 3.35, 3.45, 3.53 of part 3, regulation 5.23 of part 5, and schedule 2;
- b. For a notice to be advertised other than in the gazette the standard content set out in regulations 3.24, 3.34, 3.35, 3.37, 3.39, 3.45, 3.51, 3.53 of part 3, regulation 5.23 of part 5, and schedule 2;
- c. For a document to be delivered to the Commission the standard content set out in regulations 3.32, 3.35, 3.37, 3.45, 3.51, 3.61, 3.63, 3.64 of part 3, regulations 5.05, 5.06, and 5.23 of part 5, and schedule 2;
- d. For notices to be delivered to other persons the standard content set out in regulations 3.26, 3.35, 3.37, 3.38, 3.39, 3.40, 3.45, 3.51, 3.52, 3.53, 3.57, 3.58, 3.60, 3.61, 3.63 of part 3, regulations 5.05 and 5.23 of part 5, and schedule 2;
- e. For applications to the court the standard content set out in regulations 3.23, 3.35, 3.45, 3.52, 3.53, 3.58, 3.61, 3.63, 3.64 of part 3, 5.23 of part 5, and schedule 2.

**“to gazette”** means to advertise in the gazette.

**“unable to pay its debts”** has the meaning given under section 572 of the Principal Act.

**“venue”** in relation to any proceedings means court, room, hall or any electronic platform.

**“virtual meeting”** includes online meeting through Zoom, Google Meets, Microsoft Teams, WhatsApp, Facebook and other electronic platforms.

**“working Day”** means business days from Monday to Friday.



- 1.06 (a) Unless the context otherwise requires, other words or expressions contained in these Regulations bear the same meaning as in the Principal Act;
- (b) References to sections in these Regulations shall, unless the context suggests otherwise, refer to sections in the Principal Act;
- (c) References to male in these Regulations shall include references to female.

1.07 Accreditation of Insolvency Practitioners

- (1) Members of the following professional bodies may apply to the Commission for accreditation as Insolvency Practitioners (IP):
- a. Business Recovery and Insolvency Practitioners Association of Nigeria (BRIPAN);
  - b. Nigerian Bar Association (NBA);
  - c. Institute of Chartered Accountants of Nigeria (ICAN);
  - d. Association of National Accountants of Nigeria (ANAN);
  - e. Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN).
- (2) Requirements for accreditation shall include the following -
- a. Duly completed Form CAC-MISC 02;
  - b. Payment of prescribed fee;
  - c. Evidence of membership of relevant professional body;
  - d. Evidence of appointment as Liquidator, Provisional Liquidator, Official Receiver, Administrator, Administrative Receiver, Receiver and Manager, Nominee or Supervisor, not less than five (5) years preceding the date of application;
  - e. Where the requirement of paragraph (d) is impracticable, evidence of active participatory tutelage in Insolvency Practice not less than five (5) years preceding the date of application and letter of confirmation of tutelage by the Principal or Managing Partner of the firm where the applicant was or is engaged;
  - f. Evidence of eligibility to practise issued by the relevant professional body; and

- g. Evidence of completion of accreditation course of continuing education administered by the relevant professional body in the preceding year in the case of renewal of accreditation.
- (3) Accreditation by the Commission as insolvency practitioner shall be renewed every three (3) years.
- (4) Accreditation may be withdrawn by the Commission where –
  - a. the IP is disqualified from practice by a professional body;
  - b. the IP is convicted of any offence involving fraud, dishonesty, official corruption or unethical conduct or is disqualified under section 280 of the Principal Act;
  - c. the IP is adjudged by an Administrative Panel set up by the Commission to have obtained accreditation by fraud, dishonesty, official corruption; or committed gross misconduct in official transactions with the Commission.

#### 1.08 Disqualification for Appointment as Insolvency Practitioner

The following persons shall not be appointed or act as Insolvency Practitioners:

- a. an infant;
- b. any person found by a Court of competent jurisdiction to be of unsound mind;
- c. a body corporate except statutory corporations
- d. an undischarged bankrupt, unless he is given leave to act as an Insolvency Practitioner of the company by the Court by which he was adjudged bankrupt;
- e. a director or auditor of the company;
- f. a connected person; and
- g. any person convicted of any offence involving fraud, dishonesty, official corruption or unethical conduct or who is disqualified under section 280 of the Principal Act.

## **PART 2**

### **2.00 Company Voluntary Arrangements (CVA)**

#### **2.01 Proposal**

- (1) A proposal for CVA shall -
  - a. contain identification details for the company;
  - b. explain why the proposer thinks a CVA is desirable;
  - c. explain why the creditors are expected to agree to a CVA; and
  - d. be authenticated and dated by the proposer.
- (2) The proposal may be amended with the nominee's agreement in writing where—
  - a. the nominee is not the liquidator or administrator of the company; and
  - b. the nominee's report has not been filed with the court.
- (3) In any other case, a proposal may only be amended with the approval of the court.

#### **2.02 Contents of Proposal**

- (1) The proposal shall set out the following so far as known to the proposer—

##### **Assets**

- a. the company's assets, with an estimate of their respective values;
- b. which assets are charged and the extent of the charge;
- c. which assets are to be excluded from the CVA; and
- d. particulars of any property to be included in the CVA which is not owned by the company, including details of who owns such property, and the terms on which it will be available for inclusion.

##### **Liabilities**

- e. the nature and amount of the company's liabilities;
- f. how the company's liabilities will be met, modified, postponed or otherwise dealt with by means of the CVA and in particular—
  - i. how preferential creditors and creditors who are, or claim to be secured will be dealt with,
  - ii. how creditors who are connected with the company will be dealt with,

- iii. if the company is not in administration or liquidation, whether, if the company did go into administration or liquidation, there are circumstances which might give rise to claims under section 659 (transactions at an undervalue), section 658 (preferences), or section 662 (invalid floating charges), and
- v. where there are circumstances that might give rise to such claims, whether, and if so what, provision will be made to indemnify the company in respect of them;

### **Nominee's Fees and Expenses**

- g. the amount proposed to be paid to the nominee by way of fees and expenses;

### **Supervisor**

- h. identification and contact details for the supervisor;
- i. confirmation that the supervisor is qualified to act as an insolvency practitioner in relation to the company and the name of the relevant recognised professional body which is the source of the supervisor's authorisation;
- j. how the fees and expenses of the supervisor will be determined and paid;
- k. the functions to be performed by the supervisor;
- l. where it is proposed that two or more supervisors be appointed, a statement whether acts done in connection with the CVA may be done by any one or more of them or shall be done by all of them;

### **Guarantees and Proposed Guarantees**

- m. whether any, and if so, what guarantees have been given in respect of the company's debts, specifying which of the guarantors are persons connected with the company;
- n. whether any, and if so what, guarantees are proposed to be offered for the purposes of the CVA and, if so, by whom and whether security is to be given or sought;

### **Timing**

- o. the proposed duration of the CVA;

- p. the proposed dates of distributions to creditors, with estimates of their amounts;

#### **Conduct of the Business**

- q. how the business of the company will be conducted during the CVA;

#### **Further Credit Facilities**

- r. details of any further proposed credit facilities for the company, and how the debts so arising are to be paid;

#### **Handling of Funds Arising**

- s. the manner in which funds held for the purposes of the CVA are to be banked, invested or otherwise dealt with pending distribution to creditors;
- t. how funds held for the purpose of payment to creditors, and not so paid on the termination of the CVA, will be dealt with;
- u. how the claim of any person bound by the CVA will be dealt with;

#### **Other Matters**

- v. other matters that the proposer considers appropriate to enable members and creditors to reach an informed decision on the proposal.
- (2) Where the proposal is made by the administrator or liquidator the following details of the nature and amount of the company's preferential creditors, so far as known to the office-holder.
  - (3) Information may be excluded from an estimate under paragraph (2) if the inclusion of the information could seriously prejudice the commercial interests of the company.
  - (4) If the exclusion of such information affects the calculation of the estimate, the proposal shall include a statement to that effect.

#### **2.03 Procedure for a CVA**

Procedure for proposal where the nominee is not the liquidator or the administrator (section 435)

- 2.04 (1)** This regulation applies where the nominee is not the same person as the liquidator or the administrator.

- (2) A nominee who consents to act shall deliver a notice of that consent to the proposer within three (3) days after the proposal has been submitted to the nominee under section 435(3).
- (3) The notice shall state the date the nominee received the proposal.
- (4) The period of twenty-eight (28) days in which the nominee shall submit a report to the court under section 435(2) begins on the date the nominee receives the proposal as stated in the notice.

#### 2.05 Information for the Official Receiver

Where the company is being wound up by the court, the liquidator shall deliver to the official receiver—

- a. copy of the proposal; and
- b. the name and address of the nominee (if the nominee is not the liquidator).

#### 2.06 Statement of Affairs (section 435(3))

- (1) The statement of the company's affairs required by section 435(3) shall contain the following—
  - a. a list of the company's assets, divided into such categories as are appropriate for easy identification, and with each category given an estimated value;
  - b. in the case of any property on which a claim against the company is wholly or partly secured, particulars of the claim, and of how and when the security was created;
  - c. the names and addresses of the preferential creditors, with the amounts of their respective claims;
  - d. the names and addresses of the unsecured creditors with the amounts of their respective claims;
  - e. particulars of any debts owed by the company to persons connected with it;
  - f. particulars of any debts owed to the company by persons connected with it;
  - g. the names and addresses of the company's members, with details of their respective shareholdings; and
  - h. any other particulars that the nominee in writing requires to be provided for the purposes of making the nominee's report on the proposal to the court.

- (2) The statement shall be made up to a date not earlier than two (2) weeks before the date of the proposal.
- (3) However, the nominee may allow the statement to be made up to an earlier date (but not more than two (2) months before the date of the proposal) where that is more practicable.
- (4) Where the statement is made up to an earlier date, the nominee's report to the court on the proposal shall explain why.
- (5) The statement of affairs shall be verified by a statement on oath made by the proposer.
- (6) Where the proposal is made by the directors, only one (1) director needs make the statement on oath.

#### 2.07 Application to Omit Information from Statement of Affairs delivered to Creditors.

The nominee, the directors or any person appearing to the court to have an interest, may apply to the court for a direction that specified information be omitted from the statement of affairs as delivered to the creditors where disclosure of that information would likely prejudice the conduct of the CVA or might reasonably be expected to lead to violence against any person.

#### 2.08 Additional Disclosure for Assistance of Nominee where the Nominee is not the Liquidator or Administrator

- (1) This regulation applies where the nominee is not the administrator or the liquidator of the company.
- (2) If it appears to the nominee that the nominee's report to the court cannot properly be prepared on the basis of information in the proposal and statement of affairs, the nominee may require the proposer to provide—
  - a. more information about the circumstances in which, and the reasons why, a CVA is being proposed;
  - b. particulars of any previous proposals which have been made in relation to the company under Chapter 17 of the Principal Act; and
  - c. any further information relating to the company's affairs which the nominee thinks necessary for the purposes of the report.
- (3) The nominee may require the proposer to inform the nominee whether, and if so in what circumstances, any person who is, or has been at any time in the last two (2) years before the date the nominee received the proposal, a director or officer of the company has—

- a. been concerned in the affairs of any other company (whether or not incorporated in Nigeria) or limited liability partnership which has been the subject of insolvency proceedings;
  - b. been made bankrupt;
  - c. been the subject of any order for the relief of a debtor's debt; or
  - d. entered into an arrangement with creditors.
- (4) The proposer shall give the nominee such access to the company's accounts and records as the nominee may require to enable the nominee to consider the proposal and prepare the nominee's report.

**2.09 Nominee's Report on Proposal where the Nominee is not the Liquidator or Administrator (section 435(2))**

- (1) The nominee's report shall be filed with the court under section 435(2) accompanied by—
- a. a copy of the report;
  - b. a copy of the proposal (as amended under regulation 2.01(2), if that is the case); and
  - c. a copy of the statement of the company's affairs or a summary of it.
- (2) The report shall state—
- a. why the nominee considers the proposal does or does not have a reasonable prospect of being approved and implemented; and
  - b. why the members and the creditors should or should not be invited to consider the proposal.
- (3) The court shall endorse the nominee's report and the copy of it with the date of filing and deliver the copy to the nominee.
- (4) The nominee shall deliver a copy of the report to the company.

**2.10 Replacement of Nominee (section 435(4))**

- (1) A person (other than the nominee) who intends to apply to the court under section 435(4) for the nominee to be replaced shall deliver a notice that such an application is intended to be made to the nominee at least five (5) working days before filing the application with the court.
- (2) A nominee who intends to apply under that section to be replaced shall deliver a notice that such an application is intended to be made to the person intending to make the proposal, or the proposer, at least five (5) working days before filing the application with the court.



- (3) The court shall not appoint a replacement nominee unless a statement by the replacement nominee has been filed with the court confirming that person—
  - a. consents to act; and
  - b. is qualified to act as an insolvency practitioner, in relation to the company.

#### 2.11 Consideration of the Proposal by the Company Members and Creditors Common requirements (section 436)

- (1) The nominee shall invite the members of the company to consider a proposal by summoning a meeting of the company as required by section 436.
- (2) The nominee shall invite the creditors to consider the proposal by summoning a meeting of the creditors as required by section 436.
- (3) In the case of the members, the nominee shall deliver to every person whom the nominee believes to be a member a notice which shall—
  - a. identify the proceedings;
  - b. state the venue for the meeting;
  - c. state the following—
    - (I)(i) a member is entitled to vote according to the rights attaching to the member's shares in accordance with the articles of the company,
    - (ii) a member's shares include any other interest that person may have as a member of the company,
    - (iii) the value of a member for the purposes of voting is determined by reference to the number of votes conferred on that member by the company's articles;
  - (II)(i) a resolution is passed by members at a meeting of the company when a majority of those voting have voted in favour of it,
  - (ii) this is subject to any express provision to the contrary in the articles,
  - (iii) in the case of a single member company, when the single member votes in favour of it; and
- d. be accompanied by—
  - (i) a copy of the proposal,

- (ii) a copy of the statement of affairs, or if the nominee thinks fit a summary including a list of creditors with the amounts of their debts,
  - (iii) the nominee's comments on the proposal, unless the nominee is the administrator or liquidator, and
  - (iv) details of each resolution to be voted on;
- (4) In the case of the creditors, the nominee shall deliver to each creditor a notice which shall—
  - a. identify the proceedings;
  - b. state the venue for the meeting;
  - c. state the following—
    - (I)(i) A creditor is entitled to vote at a meeting of creditors only if—
      - (aa) the creditor has delivered to the chair a proof of the debt claimed in accordance with paragraph (iii) below,
      - (bb) the proof was received by the chair not later than 4.00pm on the working day before the meeting, or at a later time where the chair is content to accept the proof, and
      - (cc) the proof has been admitted for the purposes of entitlement to vote;
    - (ii) A proxy-holder is not entitled to vote on behalf of a creditor unless the chair has received the proxy intended to be used on behalf of that creditor;
    - (iii) A debt is claimed in accordance with this paragraph if it is claimed as due from the company to the person seeking to be entitled to vote;
    - (iv) The chair may call for any document or other evidence to be produced if the chair thinks it necessary for the purpose of substantiating the whole or any part of a claim;
    - (v) In relation to a proposed CVA, every creditor, secured or unsecured, who has notice of the meeting is entitled to vote in respect of that creditor's debt;
    - (II) An approval of a proposal or a modification in a proposed CVA is made when three-quarters or more (in value) of those entitled to vote at the meeting vote in favour of it;
      - (i) In a proposed CVA any other decision is not made if more than half of the total value of the unconnected creditors vote against it,

- (ii) For the purposes of paragraph (i) above -
  - (aa) a creditor is unconnected unless the chair decides that the creditor is connected with the company,
  - (bb) in deciding whether a creditor is connected reliance may be placed on the information provided by the company's statement of affairs or otherwise in accordance with these Regulations, and
  - (cc) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.

2.12 Quorum for Creditor's Meeting shall be a Majority (in value) of Creditors whose Proof of Claim has been admitted.

- (1) Votes are calculated according to the amount of each creditor's claim—
  - (i) at the date the company went into liquidation where the company is being wound up,
  - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim and any adjustment by way of set off) where it is in administration,
  - (iii) where (i) and (ii) do not apply, at the date of the meeting;
- (2) But in relation to a proposed CVA, a debt of an unliquidated or unascertained amount is to be valued at one naira for the purposes of voting unless the chair decides to put a higher value on it.
- (3) Where a debt is wholly secured its value for voting purposes is nil.
- (4) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (5) However, the value of the debt for voting purposes is its full value without deduction of the value of the security where the administrator has made a statement under section 489(1)(b) of the Principal Act and the administrator has been requested to seek approval under section 489(3);
- (6) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant).

2.13 Procedure for admitting Creditors' Claims for Voting

- (1) The chair in respect of a creditors meeting shall ascertain entitlement to vote and admit or reject claims accordingly.
- (2) The chair may admit or reject a claim in whole or in part.

- (3) If the chair is in any doubt whether a claim should be admitted or rejected, the chair shall mark it as objected to and allow votes to be cast in respect of it, subject to such votes being subsequently declared invalid if the objection to the claim is sustained.
- (4) where a vote is declared invalid or an objection is sustained, a Creditor may apply to the Federal High Court for review within twenty-eight (28) days of the declaration.

#### 2.14 Members' consideration at a meeting

- (1) Where the nominee invites the members to consider the proposal at a meeting the notice to members shall also—
  - a. specify the purpose of and venue for the meeting; and
  - b. be accompanied by a blank proxy.
- (2) The nominee shall have regard to the convenience of those invited to attend when fixing the venue for a meeting (including the resumption of an adjourned meeting).
- (3) The date of the meeting (except where the nominee is the administrator or liquidator of the company) shall not be more than twenty-eight (28) days from the date on which the nominee's report is filed with the court under regulation 2.09.

#### 2.15 Creditors' Consideration at a Meeting

- (1) Where the nominee is inviting the creditors to consider the proposal at a meeting the notice to creditors shall also—
  - a. specify the purpose of and venue for the meeting; and
  - b. be accompanied by a blank proxy.
- (2) The nominee shall have regard to the convenience of those invited to attend when fixing the venue for a meeting (including the resumption of an adjourned meeting).
- (3) The date of the meeting (except where the nominee is the administrator or liquidator of the company) shall not later than twenty-eight (28) days from the date on which the nominee's report is filed with the court under regulation 2.09.

#### 2.16 Timing of Decisions on Proposal

- (1) The meeting of the creditors may be on the same day as, or on a different day to, the meeting of the company.

- (2) But the creditors' decision on the proposal shall be made before the members' decision.
- (3) The members' decision shall be made not later than five (5) working days after the creditors' decision.
- (4) For the purpose of this regulation, the timing of the creditors' decision or the members' decision (as the case may be) is either the date and time of the meeting of the creditors or the company or, where the nominee invites creditors or members to consider the proposal by correspondence (if permitted by these regulations or another statute), the deadline for receipt of creditors' or members' votes (as the case may be).

#### 2.17 Creditors' Approval of Modified Proposal

- (1) This regulation applies where a decision is sought from the creditors following notice to the nominee of proposed modifications to the proposal from the company's directors.
- (2) The decision shall be sought by a meeting of creditors to be held within fourteen (14) days of the date on which the directors gave notice to the nominee of the modifications.
- (3) The creditors shall be given at least fourteen (14) days' notice of the meeting of creditors.

#### 2.18 Notice of Members' Meeting and Attendance of Officers

- (1) A notice summoning a meeting of the company shall be delivered at least fourteen (14) days before the day fixed for the meeting to all the members and to—
  - a. Every officer or former officer of the company whose presence the nominee thinks is required; and
  - b. All other directors of the company.
- (2) Every officer or former officer who receives such a notice stating that the nominee thinks that person's attendance is required to attend the meeting.

#### 2.19 Non-receipt of notice by creditors or members

Where in accordance with the Principal Act or these Regulations the creditors and members are invited to consider a proposal, the consideration is presumed to have duly taken place even if not everyone to whom the notice is to be delivered receives it.

## 2.20 Proposal for alternative supervisor

If, at either a meeting of the company or the creditors to consider the proposal, a resolution is moved for the appointment of a person other than the nominee to be supervisor, the person moving the resolution shall produce to the chair at or before the meeting—

- a. confirmation that the person proposed as supervisor is qualified to act as an insolvency practitioner in relation to the company; and
- b. that person's written consent to act (unless that person is present at the meeting and there signifies consent to act).

## 2.21 Chair at Meetings

The chair of a meeting in a CVA shall be the nominee or an appointed person.

## 2.22 Members' Voting Rights

- (1) A member is entitled to vote according to the rights attaching to the member's shares in accordance with the articles of the company.
- (2) A member's shares include any other interest that person may have as a member of the company.
- (3) The value of a member for the purposes of voting is determined by reference to the number of votes conferred on that member by the company's articles.

## 2.23 Requisite Majorities of Members

- (1) A resolution is passed by members at a meeting of the company when a majority of those voting have voted in favour of it.
- (2) This is subject to any express provision to the contrary in the articles.
- (3) In the case of a single member company, when the single member votes in favour of it.

## 2.24 Notice of order made under section 438(5) of the Principal Act

- (1) This regulation applies where the court makes an order under section 438(5) of the Principal Act.
- (2) The member who applied for the order shall deliver a copy of it to—
  - a. the proposer; and
  - b. the supervisor (if there is one different to the proposer).
- (3) If the directors are the proposer a single copy may be delivered to the company at its registered office.

- (4) The supervisor, or the proposer where there is no supervisor, shall as soon as reasonably practicable deliver a notice that the order has been made to every person who had received a notice to vote on the matter or who is affected by the order.
- (5) The member who applied for the order shall, within five (5) working days of the order, deliver a copy to the Commission.

#### 2.25 Report of consideration of proposal under section 437(6)

- (1) A report shall be prepared of the consideration of a proposal under section 437(6) by the chair of the meeting.
- (2) The report shall—
  - a. state whether the proposal was approved or rejected and whether by the creditors alone or by both the creditors and members and, in either case, whether any approval was with any modifications;
  - b. list the creditors and members who voted or attended or who were represented at the meeting at which the proposal was considered, setting out (with their respective values) how they voted on each resolution;
  - c. identify which of those creditors were considered to be connected with the company; and
  - d. include such further information as the nominee or the chair thinks it appropriate to make known to the court.
- (3) A copy of the report shall be filed with the court, within four working days of the date of the company meeting.
- (4) The court shall endorse the copy of the report with the date of filing.
- (5) The chair in the case of a company meeting shall give notice of the result of the consideration of the proposal to everyone to whom notice of a meeting was delivered as soon as reasonably practicable after a copy of the report is filed with the court.
- (6) Where the decision approving the CVA has effect under section 438 with or without modifications, the supervisor shall as soon as reasonably practicable deliver a copy of the chair's report to the Commission.

#### 2.26 Effect of Approval

- (1) This regulation applies where a decision approving a voluntary arrangement has effect under section 438 of the Principal Act.
- (2) The voluntary arrangement—

- a. takes effect as if made by the company at the time the creditors decided to approve the voluntary arrangement, and
- b. binds every person who in accordance with the regulations—
  - (i) was entitled to vote at the meeting at which the creditors approved the voluntary arrangement, or
  - (ii) would have been so entitled if he had had notice of it, as if he were a party to the voluntary arrangement.

## 2.27 Additional matters concerning and following approval of CVA

### Hand-over of property to supervisor

- (1) Where the decision approving a CVA has effect under section 438 and the supervisor is not the same person as the proposer, the proposer shall, as soon as reasonably practicable, do all that is required to put the supervisor in possession of the assets included in the CVA.
- (2) Where the company is in administration or liquidation and the supervisor is not the same person as the administrator or liquidator, the supervisor shall—
  - a. before taking possession of the assets included in the CVA, deliver to the administrator or liquidator an undertaking to discharge the balance referred to in paragraph (3) below out of the first realisation of assets; or
  - b. upon taking possession of the assets included in the CVA, discharge such balance.
- (3) The balance is any balance due to the administrator or liquidator —
  - a. by way of fees or expenses properly incurred and payable under the Principal Act or these Regulations; and
  - b. on account of any advances made in respect of the company together with interest on such advances at the rate specified in the Sheriffs and Civil Process Act Cap S6 LFN 2004 at the date on which the company entered administration or went into liquidation.
- (4) The administrator or liquidator has a charge on the assets included in the CVA in respect of any sums comprising such balance, subject only to the deduction from realisations by the supervisor of the proper costs and expenses of such realisations.
- (5) The supervisor shall from time to time out of the realisation of assets—
  - a. discharge all guarantees properly given by the administrator or liquidator for the benefit of the company; and
  - b. pay all the expenses of the administrator or liquidator.



## 2.28 Revocation or Suspension of CVA

- (1) This regulation applies where the court makes an order of revocation or suspension under section 440 of the Principal Act.
- (2) The applicant for the order shall deliver a copy of it to—
  - a. the proposer; and
  - b. the supervisor (if different).
- (3) If the directors are the proposer, a single copy of the order may be delivered to the company at its registered office.
- (4) If the order includes a direction by the court under section 440(4)(b) for a matter to be considered further, the applicant for the order shall deliver a notice that the order has been made to the person who is directed to take such action.
- (5) The proposer shall—
  - a. as soon as reasonably practicable deliver a notice that the order has been made to all of those persons to whom a notice to consider the matter was delivered or who appear to be affected by the order;
  - b. within five (5) working days of delivery of a copy of the order (or within such longer period as the court may allow), deliver (if applicable) a notice to the court advising that it is intended to make a revised proposal to the company and its creditors, or to invite re-consideration of the original proposal.
- (6) The applicant for the order shall deliver a copy of the order to the Commission within five (5) working days of the making of the order with a notice which shall contain the date on which the voluntary arrangement took effect.

## 2.29 Supervisor's Accounts and Reports

- (1) The supervisor shall keep accounts and records where the CVA authorises or requires the supervisor—
  - a. to carry on the business of the company;
  - b. to realise assets of the company; or
  - c. otherwise to administer or dispose of any of its funds.
- (2) The accounts and records which shall be kept are of the supervisor's acts and dealings in, and in connection with, the CVA, including in particular records of all receipts and payments of money.
- (3) The supervisor shall preserve any such accounts and records which were kept by any other person who has acted as supervisor of the CVA and are in the supervisor's possession.

- (4) The supervisor shall deliver reports on the progress and prospects for the full implementation of the CVA to—
  - a. the Commission;
  - b. the company;
  - c. the creditors bound by the CVA;
  - d. subject to paragraph (10) below, the members; and
  - e. if the company is not in liquidation, the company's auditors (if any) for the time being.
- (5) The notice which accompanies the report when delivered to the Commission shall contain the date on which the voluntary arrangement took effect.
- (6) The first report shall cover the period of twelve (12) months commencing on the date on which the CVA was approved and a further report shall be made for each subsequent period of twelve (12) months.
- (7) Each report shall be delivered within the period of two (2) months after the end of the twelve (12) month period.
- (8) Such a report is not required if the obligation to deliver a final report under paragraph (2) above arises in the two (2) month period.
- (9) Where the supervisor is authorised or required to do any of the things mentioned in paragraph (1), the report shall—
  - a. include or be accompanied by a summary of receipts and payments required to be recorded by virtue of paragraph (2); or
  - b. state that there have been no such receipts and payments.
- (10) The court may, on application by the supervisor, dispense with the delivery of such reports or summaries to members, either altogether or on the basis that the availability of the report to members is to be advertised by the supervisor in a specified manner.

### 2.30 Fees and expenses

The fees and expenses that may be incurred for the purposes of the CVA are—

- a. fees for the nominee's services agreed with the company (or, as the case may be, the administrator or liquidator) and disbursements made by the nominee before the decision approving the CVA takes effect under section 438 of the Principal Act;
- b. fees or expenses which—
  - i. are sanctioned by the terms of the CVA, or

- ii. where they are not sanctioned by the terms of the CVA would be payable, or correspond to those which would be payable, in an administration or winding up.

#### 2.31 Termination or full implementation of CVA

- (1) Not more than twenty-eight (28) days after the full implementation or termination of the CVA the supervisor shall deliver a notice that the CVA has been fully implemented or terminated to all the members and those creditors who are bound by the arrangement.
- (2) The notice shall state the date the CVA took effect and shall be accompanied by a copy of a report by the supervisor which—
  - a. summarises all receipts and payments in relation to the CVA;
  - b. explains any departure from the terms of the CVA as it originally had effect; and
  - c. if the CVA has terminated, sets out the reasons why.
- (3) The supervisor shall within the twenty-eight (28) days mentioned above send to the Commission and file with the court a copy of the notice to creditors and of the supervisor's report.
- (4) The supervisor shall not vacate office until after the copies of the notice and report have been delivered to the Commission and filed with the court.

#### 2.32 Provision of information

- (1) This regulation applies where the remuneration of the nominee or the supervisor has been fixed on the basis of the time spent.
- (2) A person who is acting, or has acted within the previous two (2) years, as—
  - a. a nominee in relation to a proposal; or
  - b. the supervisor in relation to a CVA;shall, within twenty-eight (28) days of receipt of a request from a person mentioned in paragraph (3), deliver free of charge to that person a statement complying with paragraphs (4) and (5) below.
- (3) The persons are—
  - a. any director of the company; and
  - b. where the proposal has been approved, any creditor or member.
- (4) The statement shall cover the period which—

- a. in the case of a person who has ceased to act as nominee or supervisor in relation to a company, begins with the date of appointment as nominee or supervisor and ends with the date of ceasing to act; and
  - b. in any other case, consists of one or more complete periods of six (6) months beginning with the date of appointment and ending most nearly before the date of receiving the request.
- (5) The statement shall set out—
- a. the total number of hours spent on the matter during that period by the nominee or supervisor, and any staff;
  - b. for each grade of staff engaged on the matter, the average hourly rate at which work carried out by staff in that grade is charged; and
  - c. the number of hours spent on the matter by each grade of staff during that period.

## PART 3

### 3.00 ADMINISTRATION OF COMPANIES

- (i) Appointment of Administrator by Court
- (ii) Appointment of Administrator by the Holder of a Floating Charge
- (iii) Appointment of Administrator by the Company or its Director(s)

#### 3.01 Interpretation for this Part

In this Part—

**“pre-administration costs”** mean fees charged, and expenses incurred by the administrator, or another person qualified to act as an insolvency practitioner in relation to the company, before the company entered administration but with a view to it doing so;

**“unpaid pre-administration costs”** mean pre-administration costs which had not been paid when the company entered administration.

#### 3.02 Proposed administrator’s statement and consent to act

- (1) References in this Part to a consent to act are to a statement by a proposed administrator headed “Proposed administrator’s statement and consent to act” which contains the following—
  - a. identification details for the company immediately below the heading;
  - b. a statement that the proposed administrator is qualified to act as an insolvency practitioner in relation to the company;
  - c. the proposed administrator’s CAC accreditation number;
  - d. the name of the relevant recognised professional body which is the source of the proposed administrator’s authorisation to act in relation to the company;
  - e. a statement that the proposed administrator consents to act as administrator of the company;
  - f. a statement whether or not the proposed administrator has had any prior professional relationship with the company and if so a short summary of the relationship;
  - g. the name of the person by whom the appointment is to be made or the applicant in the case of an application to the court for an appointment; and

- h. a statement that the proposed administrator is of the opinion that the purpose of administration is reasonably likely to be achieved in the particular case.
- (2) The statement and consent to act shall be authenticated and dated by the proposed administrator.
- (3) Where a number of persons are proposed to be appointed to act jointly or concurrently as the administrator of a company, each shall make a separate statement and consent to act.

### 3.03 Appointment of administrator by Court

#### Administration application (Section 450)

- (1) An administration application in relation to a company shall be headed “Administration application” and shall identify the company immediately below the heading.
- (2) The application shall contain—
  - a. the name of the applicant;
  - b. a statement whether the application is being made by—
    - (i) the company under section 450(1)(a) of the Principal Act,
    - (ii) the directors of the company under section 450(1)(b) of the Principal Act,
    - (iii) creditor(s) under section 450(1)(c) of the Principal Act,
    - (iv) the holder of a qualifying floating charge within section 452(3) of the Principal Act under section 472 of the Principal Act,
    - (v) the liquidator of the company under section 475 of the Principal Act,
    - (vi) the supervisor of a CVA under section 442(4), or
    - (vii) a designated officer of the Federal High Court appointed to act as receiver under section 450(1)(d) of the Principal Act;
  - c. if the application is made by a creditor on behalf of that creditor and others, the names of the others;
  - d. if the application is made by the holder of a qualifying floating charge, details of the charge including the date of the charge, the date on which it was registered and the maximum amount if any secured by the charge;
  - e. the following information in relation to the company—

- (i) any issued and called-up capital, the number of shares into which the capital is divided, the nominal value of each share and the amount of capital paid up or treated as paid up; or
    - (ii) that it is a company limited by guarantee;
  - f. particulars of the principal business carried on by the company;
  - g. except where the applicant is the holder of a qualifying floating charge and is making the application under section 472 of the Principal Act, a statement that the applicant believes, for the reasons set out in the affidavit in support of the application that the company is, or is likely to become, unable to pay its debts;
  - h. the name and address of the proposed administrator;
  - i. the address for service of the applicant;
  - j. the statement that the applicant requests the court—
    - (i) to make an administration order in relation to the company,
    - (ii) to appoint the proposed person to be administrator, and
    - (iii) to make such ancillary order as the applicant may request, and such other order as the court thinks appropriate.
- (3) The application shall be authenticated by the applicant or the applicant's legal practitioner and dated.

#### 3.04 Administration application made by the directors

After an application by the directors for an administration order is filed, it is to be treated for all purposes as an application by the company.

#### 3.05 Administration application by the supervisor of a CVA

After an application by the supervisor of a CVA for an administration order in respect of the company has been served on the company, it is to be treated for all purposes as an application by the company.

#### 3.06 Affidavit in support of administration application

- (1) If an administration application is to be made by—
- a. the company, an affidavit shall be made by one of the following stating that the person making the affidavit does so on behalf of the company—
    - (i) one of the directors,
    - (ii) the secretary of the company, or
    - (iii) the supervisor of a CVA;

- b. the company's directors, an affidavit shall be made by one of the following stating that the person making it does so on behalf of the directors—
    - (i) one of the directors, or
    - (ii) the secretary of the company;
  - c. a single creditor, an affidavit shall be made by—
    - (i) that creditor, or
    - (ii) a person acting under that creditor's authority;
  - d. two or more creditors, an affidavit shall be made by a person acting under the authority of them all, whether or not one of their number.
- (2) In a case falling within paragraph (1)(c)(ii) or (d) above, the affidavit shall state the nature of the authority of the person making it and the means of that person's knowledge of the matters to which the affidavit relates.
- (3) The affidavit shall contain—
  - a. a company's financial statements;
  - b. details of any security known or believed to be held by creditors of the company, and whether in any case the security is such as to confer power on the holder to appoint a receiver and manager or to appoint an administrator under section 452 of the Principal Act;
  - c. a statement that a receiver and manager has been appointed if that is the case;
  - d. details of any insolvency proceedings in relation to the company, including any petition that has been presented for the winding up of the company so far as known to the applicant;
  - e. where it is intended to appoint a number of persons as administrators, a statement of the matters relating to the exercise of their functions set out in section 538(2) of the Principal Act; and
  - f. any other matters which, in the applicant's opinion, will assist the court in deciding whether to make such an order.
- (4) Where the application is made by the holder of a qualifying floating charge under section 472 of the Principal Act, the affidavit shall give sufficient details to satisfy the court that the applicant is entitled to appoint an administrator under section 452 of the Principal Act.
- (5) Where the application is made under section 475 in relation to a company in liquidation, the affidavit shall also contain—



- a. details of the existing insolvency proceedings, the name and address of the liquidator, the date the liquidator was appointed and by whom;
- b. the reasons why it has subsequently been considered appropriate that an administration application should be made; and
- c. any other matters that would, in the applicant's opinion, assist the court in deciding whether or not to make provision in relation to matters arising in connection with the liquidation.

### 3.07 Filing of application

- (1) The application shall be filed with the court together with the affidavit in support and the proposed administrator's consent to act.
- (2) The court shall fix a venue for the hearing of the application.
- (3) There shall also be filed, at the same time as the application or at any time after that, a sufficient number of copies of the application and the statement for service in accordance with regulation 3.08.
- (4) Each of the copies filed shall—
  - a. have applied to it the stamp of the court;
  - b. be endorsed with the date and time of filing and be delivered by the court to the applicant.

### 3.08 Service of application

- (1) In this regulation, references to the application are to a copy of the application and affidavit delivered by the court under regulation 3.07(4).
- (2) Notification for the purposes of section 450(2) of the Principal Act shall be by service of the application.
- (3) The applicant shall serve the application on the following (in addition to serving it on the persons referred to in section 450(1)(a) to (c) of the Principal Act—
  - a. any receiver and manager of the company;
  - b. if there is a petition pending for the winding up of the company on—
    - (i) the petitioner, and
    - (ii) any provisional liquidator;
  - c. the company, if the application is made by anyone other than the company or its directors;
  - d. any supervisor of a CVA in relation to the company; and
  - e. the proposed administrator.

- (4) The affidavit of service shall be filed with the court as soon as reasonably practicable after service and in any event not later than two (2) working days before the hearing of the application.

### 3.09 Notice to Enforcement Agents charged with distress or other legal processes.

The applicant shall within five (5) working days of filing the application deliver a notice of its being made to—

- a. any enforcement agent or other officer who to the knowledge of the applicant is charged with distress or other legal processes against the company or its property; and
- b. any person who to the knowledge of the applicant has distrained against the company or its property.

### 3.10 Notice of other insolvency proceedings

After the application has been filed and until an order is made, it is the duty of the applicant to file with the court notice of the existence of any insolvency proceedings in relation to the company, as soon as the applicant becomes aware of them.

### 3.11 Intervention by holder of qualifying floating charge (section 473)

- (1) Where the holder of a qualifying floating charge applies to the court under section 473 of the Principal Act to have a specified person appointed as administrator, the holder shall produce to the court—
  - a. the written consent of the holder of any prior qualifying floating charge;
  - b. the proposed administrator's consent to act; and
  - c. sufficient evidence to satisfy the court that the holder is entitled to appoint an administrator under section 452 of the Principal Act.
- (2) If an administration order is made appointing the specified person, the costs of the person who made the administration application and of the applicant under section 473 of the Principal Act are, unless the court orders otherwise, to be paid as an expense of the administration.

### 3.12 The Hearing

- (1) At the hearing of the administration application, any of the following may appear or be represented—
  - a. the applicant;

- b. the company;
  - c. one or more of the directors;
  - d. any receiver and manager;
  - e. any person who has presented a petition for the winding up of the company;
  - f. the proposed administrator;
  - g. the holder of any qualifying floating charge;
  - h. any supervisor of a CVA;
  - i. with the permission of the court, any other person who appears to have an interest which justifies appearance.
- (2) If the court makes an administration order, the costs of the applicant, and of any other person whose costs are allowed by the court, are payable as an expense of the administration.

### 3.13 The Order

- (1) Where the court makes an administration order the court's order shall be headed "Administration order" and shall contain the following—
- a. identification details for the proceedings;
  - b. the name and title of the judge making the order;
  - c. the address for service of the applicant;
  - d. details of any other parties (including the company) appearing and by whom represented;
  - e. an order that during the period the order is in force the affairs, business and property of the company is to be managed by the administrator;
  - f. the name of the person appointed as administrator;
  - g. an order that that person is appointed as administrator of the company;
  - h. the date of the order (and if the court so orders the time); and
  - i. such other provisions if any as the court thinks just.
- (2) Where two or more administrators are appointed the order shall contain a statement of the matters relating to the exercise of their functions set out in section 538(2) of the Principal Act.

### 3.14 Order on an application by holder of a floating charge or liquidator (section 474 or 475)

Where the court makes an administration order in relation to a company on an application under section 474 or 475 of the Principal Act, the court shall also include in the order—

- a. in the case of a liquidator appointed in a voluntary winding up, the removal of that liquidator from office;
- b. provision for payment of the expenses of the winding up;
- c. such provision as the court thinks just relating to—
  - (i) any indemnity given to the liquidator,
  - (ii) the release of the liquidator,
  - (iii) the handling or realisation of any of the company's assets in the hands of or under the control of the liquidator, and
  - (iv) other matters arising in connection with the winding up; and
- d. such other provisions if any as the court thinks just.

### 3.15 Notice of administration order

- (1) If the court makes an administration order, it shall as soon as reasonably practicable deliver two copies of the order to the applicant.
- (2) The applicant shall within five (5) working days deliver a copy of the order to the person appointed as administrator.
- (3) If the court makes an order under section 451(1)(d) or (f) of the Principal Act, it shall give directions as to the persons to whom, and how, notice of that order is to be served.

### 3.16 Appointment of administrator by holder of floating charge (Section 452)

#### **Notice of intention to appoint**

- (1) This regulation applies where the holder of a qualifying floating charge ("the appointer") gives a notice under section 453(1)(a) of Principal Act of intention to appoint an administrator under section 452 and files a copy of the notice with the court.
- (2) The notice filed with the court shall be headed "Notice of intention to appoint an administrator by holder of qualifying floating charge" and shall contain the following—
  - a. identification details for the proceedings;
  - b. the name and address of the appointer;

- c. a statement that the appointer intends to appoint an administrator of the company;
  - d. the name and address of the proposed administrator;
  - e. a statement that the appointer is the holder of the qualifying floating charge in question and that it is now enforceable;
  - f. details of the charge, the date upon which it was registered and the maximum amount if any secured by the charge;
  - g. a statement that the notice is being given in accordance with section 453 of the Principal Act to the holder of every prior floating charge which satisfies section 452(2) of the Principal Act;
  - h. the names and addresses of the holders of such prior floating charges and details of the charges; and
  - i. a statement whether the company is or is not subject to insolvency proceedings at the date of the notice, and details of the proceedings if it is.
- (3) The notice shall be authenticated by the appointer or the appointer's legal practitioner and dated.
- (4) The giving of notice under section 453(1)(a) of the Principal Act shall be by service of the notice.

### 3.17 Notice of Appointment

- (1) Notice of an appointment under section 452 shall be headed "Notice of appointment of an administrator by holder of a qualifying floating charge" and shall contain—
- a. identification details for the proceedings;
  - b. the name and address of the appointer;
  - c. a statement that the appointer has appointed the person named as administrator of the company;
  - d. the name and address of the person appointed as administrator;
  - e. a statement that a copy of the administrator's consent to act accompanies the notice;
  - f. a statement that the appointer is the holder of the qualifying floating charge in question and that it is now enforceable;
  - g. details of the charge including the date of the charge, the date on which it was registered and the maximum amount if any secured by the charge;
  - h. one of the following statements—

- i. that notice has been given in accordance with section 453(1)(a) of the Principal Act to the holder of every prior floating charge which satisfies section 452(2) of the Principal Act, that two (2) working days have elapsed from the date the last such notice was given (if more than one)
    - ii. that the holder of every such floating charge to whom notice was given has consented in writing to the making of the appointment and
    - iii. that a copy of every consent accompanies the notice of appointment, or
    - iv. that there is no such floating charge;
  - l. a statement whether the company is or is not subject to insolvency proceedings at the date of the notice, and details of the proceedings if it is; and
  - j. a statement that the appointment is in accordance with Chapter 18 of the Principal Act.
- (2) Where two or more administrators are appointed the notice shall also specify -
- a. which functions (if any) are to be exercised by those persons acting jointly; and
  - b. which functions (if any) are to be exercised by any or all of those persons.
- (3) The statutory declaration included in the notice in accordance with section 455(2) of the Principal Act shall be made not more than five (5) working days before the notice is filed with the court.

### 3.18 Filing of notice with the court

- (1) Three (3) copies of the notice of appointment shall be filed with the court, accompanied by—
- a. the administrator's consent to act; and
  - b. either—
    - i. evidence that the appointer has given notice as required by section 453(1)(a) of the Principal Act; or
    - ii. copies of the written consent of all those required to give consent in accordance with section 453(1)(b) of the Principal Act.
- (2) The court shall stamp copies of the notice, endorse them with the date and time of filing and deliver two copies to the appointer.

- (3) The appointer shall as soon as reasonably practicable deliver one of the copies to the administrator.

### 3.19 Appointment by floating charge holder after administration application made

- (1) This regulation applies where the holder of a qualifying floating charge, after receiving notice that an administration application has been made, appoints an administrator under section 452(4) of the Principal Act.
- (2) The holder shall within five (5) working days deliver a copy of the notice of appointment to—
  - a. the person making the administration application; and
  - b. the court in which the application has been made.
- (3) Where an administrator is appointed out of court, if it is an administration that has cross-border element, an application shall be made ex-parte to the court for approval.

### 3.20 Appointment of administrator by company or directors

#### Notice of intention to appoint

- (1) If section 463 of the Principal Act requires a notice of intention to appoint an administrator under section 459 of the Principal Act then the notice shall be headed “Notice of intention to appoint an administrator by company or directors” and shall contain the following—
  - a. identification details for the proceedings;
  - b. a statement that the company or the directors, as the case may be, intend to appoint an administrator of the company;
  - c. the name and address of the proposed administrator;
  - d. the names and addresses of the persons to whom notice is being given in accordance with section 463 (1) of the Principal Act;
  - e. a statement that each of those persons is or may be entitled to appoint—
    - (i) a receiver and manager of the company, or
    - (ii) an administrator of the company under section 452 of the Principal Act;
  - f. a statement that the company has not within the preceding twelve (12) months been in administration;
  - g. a statement that in relation to the company there is no—

- (i) petition for winding up which has been presented but not yet disposed of,
    - (ii) administration application which has not yet been disposed of, or
    - (iii) a receiver and manager in office;
  - h. a statement that the notice is accompanied (as appropriate) by either—
    - (i) a copy of the resolution of the company to appoint an administrator, or
    - (ii) a resolution of the board of directors to appoint an administrator; and
  - i. a statement that if a recipient of the notice who is named in paragraph (e) above wishes to consent in writing to the appointment that person may do so but that after five (5) working days have expired from delivery of the notice the appointer may make the appointment although such a recipient has not replied.
- (2) The notice shall be accompanied by—
- a. a copy of the resolution of the company to appoint an administrator, where the company intends to make the appointment, or
  - b. a copy of the resolution of the directors, where the directors intend to make the appointment.
- (3) The giving of notice under section 463(1) of the Principal Act shall be by service of the notice.
- (4) If notice of intention to appoint is given under section 463(1), a copy of the notice under section 463(2) of the Principal Act shall be delivered at the same time to—
- a. any enforcement agent or other officer who, to the knowledge of the person giving the notice, is charged with distress or other legal process against the company;
  - b. any person who, to the knowledge of the person giving the notice, has distrained against the company or its property;
  - c. any supervisor of a CVA; and
  - d. the company, if the company is not intending to make the appointment.
- (5) The giving of notice under section 463(2) of the Principal Act shall be by service of the notice.



- (6) The statutory declaration accompanying the notice in accordance with section 464(2) of the Principal Act shall—
- a. if it is not made by the person making the appointment, indicate the capacity in which the person making the declaration does so; and
  - b. be made not more than five (5) working days before the notice is filed with the court.
- (7) Where an administrator is appointed out of court, if it is an administration that has cross-border element, an application shall be made ex-parte to the court for approval.

3.21 Notice of appointment after notice of intention to appoint

- (1) Notice of an appointment under section 459 (when notice of intention to appoint has been given under section 463) shall be headed “Notice of appointment of an administrator by a company (where a notice of intention to appoint has been given)” or “Notice of appointment of an administrator by the directors of a company (where a notice of intention to appoint has been given)” and shall contain—
- a. identification details for the company immediately below the heading;
  - b. a statement that the company has, or the directors have, as the case may be, appointed the person named as administrator of the company;
  - c. the name and address of the person appointed as administrator;
  - d. a statement that a copy of the administrator’s consent to act accompanies the notice;
  - e. a statement that the company is, or the directors are, as the case may be, entitled to make an appointment under section 459 of the Principal Act;
  - f. a statement that the appointment is in accordance with Chapter 18 of the Principal Act;
  - g. a statement that the company has, or the directors have, as the case may be, given notice of their intention to appoint in accordance with section 463, that a copy of the notice was filed in court, the date of that filing and either—
    - i. that five (5) working days have elapsed from that date, or
    - ii. that each person to whom the notice was given has consented to the appointment; and
  - h. the date and time of the appointment.

- (2) Where two or more administrators are appointed the notice shall also contain a statement of the matters relating to the exercise of their functions set out in section 538(2) of the Principal Act.
- (3) The statutory declaration included in the notice in accordance with section 466(2) of the Principal Act shall be made not more than five (5) working days before the notice is filed with the court.
- (4) If the statutory declaration is not made by the person making the appointment, it shall indicate the capacity in which the person making the declaration does so.

### 3.22 Notice of appointment without prior notice of intention to appoint

- (1) Notice of an appointment under section 459 (when notice of intention to appoint has not been given under section 463) shall be headed “Notice of appointment of an administrator by a company (where a notice of intention to appoint has not been given)” or “Notice of appointment of an administrator by the directors of a company (where a notice of intention to appoint has not been given)” and shall identify the company immediately below the heading.
- (2) The notice shall state the following—
  - a. that the company has, or the directors have, as the case may be, appointed the person specified under sub-paragraph (b) as administrator of the company;
  - b. the name and address of the person appointed as administrator;
  - c. that a copy of the administrator’s consent to act accompanies the notice;
  - d. that the company is or the directors are, as the case may be, entitled to make an appointment under section 459 of the Principal Act;
  - e. that the appointment is in accordance with Chapter 18 of the Principal Act;
  - f. that the company has not within the preceding twelve (12) months been in administration;
  - g. that in relation to the company there is no—
    - (i) petition for winding up which has been presented but not yet disposed of,
    - (ii) administration application which has not yet been disposed of, or
    - (iii) a receiver and manager in office;
  - h. that the notice is accompanied by—

- (i) a copy of the resolution of the company to appoint an administrator, or
  - (ii) a copy of the resolution of the directors to appoint an administrator; and
- k. the date and time of the appointment.
- (3) Where two or more administrators are appointed the notice shall also contain a statement of the matters relating to the exercise of their functions set out in section 538(2) of the Principal Act.
- (4) The statutory declaration included in the notice in accordance with section 466(2) and section 468 of the Principal Act shall—
  - a. if the declaration is made on behalf of the person making the appointment, indicate the capacity in which the person making the declaration does so; and
  - b. be made not more than five (5) working days before the notice is filed with the court.

### 3.23 Notice of appointment: filing with the court

- (1) Three copies of the notice of appointment shall be filed with the court, accompanied by—
  - a. the administrator's consent to act; and
  - b. the written consent of all those persons to whom notice was given in accordance with section 463(1) of the Principal Act unless the period of notice set out in section 463(1) has expired.
- (2) Where a notice of intention to appoint an administrator has not been given, the copies of the notice of appointment shall also be accompanied by—
  - (a) a copy of the resolution of the company to appoint an administrator, where the company is making the appointment; or
  - (b) a copy of the resolution of the board of directors, where the directors are making the appointment.
- (3) The court shall apply to the copies the stamp of the court, endorse them with the date and time of filing and deliver two of the copies to the appointer.
- (4) The appointer shall within five (5) working days deliver one of the stamped copies to the administrator.

### 3.24 Notice of Administrator's appointment

#### **Publication of administrator's appointment**

- (1) The notice of appointment, to be published by the administrator not later than fourteen (14) days from date of appointment as prescribed under section 483(2)(b) of the Principal Act.

Publication shall be either in the gazette or one (1) daily newspaper of a size not less than 4 inches across 3 columns.

- (2) The publication shall state the following—
- a. that an administrator has been appointed;
  - b. the date of the appointment; and
  - c. the nature of the business of the company.
- (3) The administrator shall not later than fourteen (14) days after the date specified in section 483 (5) of the Principal Act, deliver a notice of the appointment—
- a. if a receiver and manager or a receiver has been appointed, to that person;
  - b. if there is a pending petition for the winding up of the company, to the petitioner (and also to the provisional liquidator, if any);
  - c. to any enforcement officer, enforcement agent or other officer who, to the administrator's knowledge, is charged with distress or other legal process against the company or its property;
  - d. to any person who, to the administrator's knowledge, has distrained against the company or its property; and
  - e. any supervisor of a CVA.
- (4) Where, under Chapter 18 of the Principal Act or these Regulations, the administrator is required to deliver a notice of the appointment to the Commission or any other person, it shall be headed "Notice of administrator's appointment", delivered within fourteen (14) days after the date of appointment and shall contain—
- a. the administrator's name and address and CAC accreditation number;
  - b. identification details for the proceedings; and
  - c. a statement that the administrator has been appointed as administrator of the company;
- (5) The notice shall be authenticated and dated by the administrator.

### 3.25 Statement of affairs (Sections 484 and 485)

#### Interpretation

In this Part—

**“nominated person”** means a relevant person who has been required by the administrator to make out and deliver to the administrator a statement of affairs;

**“relevant person”** means a person mentioned in section 484(3) of the Principal Act.

### 3.26 Statement of affairs: notice requiring delivery to the administrator (section 484(1) of the Principal Act)

- (1) A requirement under section 484(1) of the Principal Act for one or more relevant persons to provide the administrator with a statement of the affairs of the company shall be made by a notice delivered to each such person.
- (2) The notice shall be headed “Notice requiring statement of affairs” and shall—
  - a. require each nominated person to whom the notice is delivered to prepare and submit to the administrator a statement of the affairs of the company;
  - b. inform each nominated person of—
    - (i) the names and addresses of all others (if any) to whom the same notice has been delivered,
    - (ii) the date by which the statement shall be delivered to the administrator, and
    - (iii) the effect of section 484(5) of the Principal Act (penalty for non-compliance) as contained in Section 544(2) of the Principal Act.
- (3) The administrator shall inform each nominated person to whom notice is delivered that a document for the preparation of the statement of affairs capable of completion in compliance with regulation 3.27 below will be supplied if requested.
- (4) The nominated person (or one of them, if more than one) shall deliver the statement of affairs to the administrator with the statement on oath required by section 484 (2)(a) of the Principal Act and a copy of each statement.

3.27 Statement of affairs: content (section 484)

- (1) The statement of the company's affairs shall be headed "Statement of affairs" and shall—
  - a. identify the company immediately below the heading; and
  - b. state that it is a statement of the affairs of the company on a specified date, being the date on which it entered administration.
- (2) The statement of affairs shall contain (in addition to the matters required by section 484 (2) of the Principal Act)—
  - a. a summary of the assets of the company, setting out the book value and the estimated realisable value of—
    - i. any assets subject to a fixed charge,
    - ii. any assets subject to a floating charge,
    - iii. any uncharged assets, and
    - iv. the total value of all the assets available for preferential creditors;
  - b. a summary of the liabilities of the company, setting out—
    - (i) the amount of preferential debts,
    - (ii) an estimate of the deficiency with respect to preferential debts or the surplus available after paying the preferential debts,
    - (iii) an estimate of the total assets available to pay debts secured by floating charges,
    - (iv) the amount of debts secured by floating charges,
    - (v) an estimate of the deficiency with respect to debts secured by floating charges or the surplus available after paying the debts secured by fixed or floating charges,
    - (vi) the amount of unsecured debts (excluding preferential debts),
    - (vii) an estimate of the deficiency with respect to unsecured debts or the surplus available after paying unsecured debts,
    - (viii) any issued and called-up capital, and
    - (ix) an estimate of the deficiency with respect to, or surplus available to, members of the company;
  - c. a list of the company's creditors with the further particulars required by paragraph (3) indicating—
    - (i) any creditors under hire-purchase, chattel leasing or conditional sales agreements, and

- (ii) any creditors claiming retention of title over property in the company's possession; and
- d. the name and address of each member of the company and the number, nominal value and other details of the shares held by each member.
- (3) The list of creditors required by section 484(2) of the Principal Act and paragraph (2)(c) of this regulation shall contain the details required by paragraph (4) except where paragraphs (5) and (6) apply.
- (4) The particulars required by paragraph (3) are as follows—
  - a. the name and postal address of the creditor;
  - b. the amount of the debt owed to the creditor;
  - c. details of any security held by the creditor;
  - d. the date on which the security was given; and
  - e. the value of any such security.
- (5) Paragraph (6) applies where the particulars required by paragraph (4) relate to creditors who are either—
  - a. employees or former employees of the company; or
  - b. consumers claiming amounts paid in advance for the supply of goods or services.
- (6) Where this paragraph applies—
  - a. the statement of affairs itself shall state separately for each of paragraph (5)(a) and (b) the number of such creditors and the total of the debts owed to them; and
  - b. the particulars required by paragraph (4) shall be set out in separate schedules to the statement of affairs for each of paragraphs (5)(a) and (b).

### 3.28 Statement of affairs: statement of concurrence

- (1) The administrator may require a relevant person to deliver to the administrator a statement of concurrence.
- (2) A statement of concurrence is a statement, verified by a statement on oath, that that person concurs in the statement of affairs submitted by a nominated person.
- (3) The administrator shall inform the nominated person who has been required to submit a statement of affairs that the relevant person has been required to deliver a statement of concurrence.

- (4) The nominated person shall deliver a copy of the statement of affairs to every relevant person who has been required to submit a statement of concurrence.
- (5) A statement of concurrence—
  - a. shall identify the company; and
  - b. may be qualified in relation to matters dealt with in the statement of affairs where the relevant person—
    - (i) is not in agreement with the statement of affairs,
    - (ii) considers the statement of affairs to be erroneous or misleading, or
    - (iii) is without the direct knowledge necessary for concurring with it.
- (6) The relevant person shall deliver the required statement of concurrence together with a copy to the administrator before the end of the period of five working days (or such other period as the administrator may agree) beginning with the day on which the relevant person receives the statement of affairs.

### 3.29 Statement of Affairs: Filing

- (1) The administrator shall not later than fourteen (14) working days deliver to the Commission a copy of—
  - a. the statement of affairs; and
  - b. any statement of concurrence.
- (2) However, the administrator shall not deliver to the Commission with the statement of affairs any schedule required by regulation 3.27(6)(b).
- (3) The requirement to deliver the statement of affairs is subject to any order of the court made under regulation 3.42 that the statement of affairs or a specified part shall not be delivered to the Commission.

### 3.30 Statement of affairs: release from requirement and extension of time

- (1) The power of the administrator under section 485(2) of the Principal Act to revoke a requirement to provide a statement of affairs or to extend the period within which it shall be submitted may be exercised upon the administrator's own initiative or at the request of a nominated person who has been required to provide it.
- (2) The nominated person may apply to the court if the administrator refuses that person's request for extension.



- (3) On receipt of an application, the court may, if it is satisfied that no sufficient cause is shown for it, dismiss it without giving notice to any party other than the applicant.
- (4) Unless the application is dismissed, the court shall fix a venue for it to be heard.
- (5) The applicant shall, at least Fourteen (14) days before any hearing, deliver to the administrator a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (6) The administrator may do either or both of the following—
  - a. file a report of any matters which the administrator thinks ought to be drawn to the court's attention; or
  - b. appear and be heard on the application.
- (7) If a report is filed, the administrator shall deliver a copy of it to the applicant not later than five (5) working days before the hearing.
- (8) Copies of any order made on the application shall be delivered by the court to the applicant and the administrator.
- (9) On an application under this regulation, the applicant's costs shall be paid by the applicant in any event, but the court may order that an allowance of all or part of them be payable as an expense of the administration.

### 3.31 Statement of Affairs: expenses

- (1) The expenses of a nominated person which the administrator considers to have been reasonably incurred in making a statement of affairs or of a relevant person in making a statement of concurrence shall be paid by the administrator as an expense of the administration.
- (2) A decision by the administrator that expenses were not reasonably incurred (and are therefore not payable as an expense of the administration) may be appealed to the court.

### 3.32 Administrator's proposals (Section 486)

#### Administrator's proposals: additional content

- (1) The administrator's statement of proposals made under section 486 of the Principal Act (which is required by section 486(4) to be delivered to the Commission, creditors and members) shall identify the proceedings and, in addition to the matters set out in section 486, contain—
  - a. any other trading names of the company;
  - b. details of the administrator's appointment, including—

- (i) the date of appointment,
  - (ii) the person making the application or appointment, and
  - (iii) where a number of persons have been appointed as administrators, details of the matters set out in section 538(2) of the Principal Act relating to the exercise of their functions;
- c. the names of the directors and secretary of the company and details of any shareholdings in the company which they may have;
- d. an account of the circumstances giving rise to the appointment of the administrator;
- e. the date the proposals are delivered to the creditors;
- f. if a statement of the company's affairs has been submitted—
  - (i) a copy or summary of it, except so far as an order under regulation 3.42 or 3.43 limits disclosure of it, and excluding any schedule referred to in regulation 3.27(6)(b), or the particulars relating to individual creditors contained in any such schedule,
  - (ii) details of who provided the statement of affairs, and
  - (iii) any comments which the administrator may have upon the statement of affairs;
- g. if an order under regulation 3.42 or 3.43 has been made—
  - (i) a statement of that fact, and
  - (ii) the date of the order;
- h. if no statement of affairs has been submitted—
  - (i) details of the financial statements of the company at the latest practicable date (which shall, unless the court orders otherwise, be a date not earlier than that on which the company entered administration), and
  - (ii) an explanation as to why there is no statement of affairs;
- i. a full list of the company's creditors in accordance with paragraph (2) if either—
  - (i) no statement of affairs has been submitted, or
  - (ii) a statement of affairs has been submitted but it does not include such a list, or the administrator believes the list included is less than full;
- j. a statement of—
  - (i) how it is envisaged the purpose of the administration will be achieved, and

- (ii) how it is proposed that the administration will end, including, where it is proposed that the administration will end by the company moving to a creditors' voluntary winding up—
      - (aa) details of the proposed liquidator, and
      - (bb) a statement that the creditors may, before the proposals are approved, nominate a different person as liquidator in accordance with section 521(6)(a) of the Principal Act and regulation 3.54(6)(b);
  - k. a statement of the administrator's reasons for not seeking a decision from creditors;
  - l. the manner in which the affairs and business of the company—
    - (i) have, since the date of the administrator's appointment, been managed and financed, including, where any assets have been disposed of, the reasons for the disposals and the terms upon which the disposals were made, and
    - (ii) will, if the administrator's proposals are approved, continue to be managed and financed; and
  - m. any other information that the administrator thinks necessary to enable creditors to decide whether or not to approve the proposals.
- (2) The list of creditors required by paragraph (1)(i) shall contain the details required by sub-paragraph (3) except where paragraphs (4) and (5) apply;
- (3) The particulars required by paragraph (2) are as follows and shall be given in this order—
- a. the name and postal address of the creditor;
  - b. the amount of the debt owed to the creditor;
  - c. details of any security held by the creditor;
  - d. the date on which any such security was given; and
  - e. the value of any such security;
- (4) This paragraph applies where the particulars required by paragraph (3) relate to creditors who are either—
- a. employees or former employees of the company; or
  - b. consumers claiming amounts paid in advance for the supply of goods and services.
- (5) Where paragraph (4) applies—
- a. the list of creditors required by paragraph (1)(i) shall state separately for each of paragraphs (4)(a) and (b) the number of the creditors and the total of the debts owed to them; and

- b. the particulars required by paragraph (3) in respect of such creditors shall be set out in separate schedules to the list of creditors for each of sub-paragraphs (4)(a) and (b); and
  - c. the administrator shall not deliver any such schedule to the Commission with the statement of proposals.
- (6) The document containing the statement of proposals shall include a statement of the basis on which it is proposed that the administrator's remuneration should be fixed by a decision in Part 6 of these Regulations.
- (7) Where applicable the document containing the statement of proposals shall include—
  - a. a statement of any pre-administration costs charged or incurred by the administrator or, to the administrator's knowledge, by any other person qualified to act as an insolvency practitioner in relation to the company;
  - b. a statement that the payment of any unpaid pre-administration costs as an expense of the administration is—
    - (i) subject to approval under regulation 3.49, and
    - (ii) not part of the proposals subject to approval under section 490 of the Principal Act.

### 3.33 Administrator's Proposals: Statement of Pre-administration Costs

A statement of pre-administration costs under regulation 3.32(7)(a) shall include—

- a. details of any agreement under which the fees were charged and expenses incurred, including the parties to the agreement and the date on which the agreement was made;
- b. details of the work done for which the fees were charged and expenses incurred;
- c. an explanation of why the work was done before the company entered administration and how it had been intended to further the achievement of an objective in section 444 of the Principal Act in accordance with sub-sections (2) to (4) of that section;
- d. a statement of the amount of the pre-administration costs, setting out separately—
  - (i) the fees charged by the administrator,
  - (ii) the expenses incurred by the administrator,

- (iii) the fees charged (to the administrator's knowledge) by any other person qualified to act as an insolvency practitioner in relation to the company (and, if more than one, by each separately), and
  - (iv) the expenses incurred (to the administrator's knowledge) by any other person qualified to act as an insolvency practitioner in relation to the company (and, if more than one, by each separately);
- e. a statement of the amounts of pre-administration costs which have already been paid (set out separately as under sub-paragraph (d));
- f. the identity of the person who made the payment or, if more than one person made the payment, the identity of each such person and of the amounts paid by each such person set out separately as under sub-paragraph (d); and
- g. a statement of the amounts of unpaid pre-administration costs (set out separately as under sub-paragraph (d)).

### 3.34 Advertising administrator's proposals and notices of extension of time for delivery of proposals (section 486)

- (1) A notice published by the administrator under section 486(6) of the Principal Act shall—
  - a. identify the proceedings and contain the registered office of the company;
  - b. be published -
    - (i) on the company's website, and
    - (ii) in the gazette or a daily newspaper; and
  - c. be published after the administrator has delivered the statement of proposals to the company's creditors not later than thirty (30) days from the date on which the company entered administration.
- (2) Where the court orders, on an application by the administrator under section 545 of the Principal Act, an extension of the period in section 486(5) for delivering copies of the statement of proposals, the administrator shall as soon as reasonably practicable after the making of the order deliver a notice of the extension to—
  - a. the creditors of the company;
  - b. the members of the company of whose address the administrator is aware; and
  - c. the Commission.
- (3) The notice shall—

- a. identify the proceedings;
  - b. state the date to which the court has ordered an extension; and
  - c. contain the registered office of the company.
- (4) The administrator is taken to comply with paragraph (1)(b) if the administrator publishes a notice complying with paragraph (5) below.
- (5) The notice shall—
  - a. contain the information required by paragraph (3);
  - b. be published -
    - i. on the company's website, and
    - ii. in the gazette or a daily newspaper; and
  - c. state that members may request in writing a copy of the notice of the extension, and state the address to which to write; and
  - d. be published on the company's website within seven (7) days after the administrator has delivered the notice of the extension to the company's creditors in accordance with regulation 1.05.

### 3.35 Seeking approval for the administrator's proposals

- (1) This regulation applies where the administrator is required by section 488 of the Principal Act to seek approval from the company's creditors of the statement of proposals made pursuant to section 486 of the Principal Act.
- (2) The statement of proposals delivered under section 486(4) of the Principal Act shall be accompanied by a notice to the creditors of a meeting of creditors.
- (3) Where the administrator has made a statement under section 489(1) of the Principal Act and has not sought approval from creditors, the proposal will be deemed to have been approved unless a meeting has been requested under section 489(2) of the Principal Act.
- (4) Where under paragraph (3) the proposal is deemed to have been approved the administrator shall, as soon as reasonably practicable after the expiration of the period of five (5) working days from the date on which the administrator's statement of proposals is delivered (required for requisitioning a meeting), deliver a notice of the date of deemed approval to the Commission, the court and any creditor to whom the administrator has not previously delivered the proposal.
- (5) The notice shall contain—
  - a. identification details for the proceedings;
  - b. the name of the administrator;

- c. the date the administrator was appointed; and
  - d. the date on which the statement of proposals was delivered to the creditors.
- (6) A copy of the statement of proposals, with the statements required by regulation 3.32(5), shall accompany the notice given to the court and to any creditors to whom a copy of the statement of proposals has not previously been delivered.

### 3.36 Invitation to creditors to form a creditors' committee

- (1) Where the administrator is required to seek a decision from the company's creditors under regulation 3.35, the administrator shall at the same time deliver to the creditors a notice inviting them to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of the committee.
- (2) The notice shall also invite nominations for membership of the committee, such nominations to be received by the administrator by a date to be specified in the notice.
- (3) The notice shall state that any nominations—
  - a. shall be delivered to the administrator by the specified date; and
  - b. can only be accepted if the administrator is satisfied as to the creditor's eligibility under regulation 5.04 below.
- (4) A notice under this regulation shall also be delivered to the creditors at any other time when the administrator seeks a decision from creditors and a creditors' committee has not already been established at that time.

### 3.37 Notice of extension of time to seek approval

- (1) Where the court orders an extension to the period set out in section 488(2) of the Principal Act, the administrator shall deliver a notice of the extension within seven (7) working days to each person mentioned in section 486(4) of the Principal Act.
- (2) The notice shall contain identification details for the proceedings and the date to which the court has ordered an extension.
- (3) The administrator is taken to have complied with paragraph (1) as regards members of the company if the administrator publishes a notice complying with paragraph (4) within the time specified in paragraph (1) above
- (4) The notice shall—
  - a. be published on the company's website; and

- b. state that members may request in writing a copy of the notice of the extension, and state the address to which to write.

3.38 Notice of the creditors' decision on the administrator's proposals (section 490(2))

- (1) In addition to delivering a report to the court and the Commission (in accordance with section 490(2) of the Principal Act) the administrator shall deliver a report to—
  - a. the company's creditors (accompanied by a copy of the statement of proposals, with the statement required by regulation 3.32(7)(a) and (b), if it has not previously been delivered to the creditor); and
  - b. every other person to whom a copy of the statement of proposals was delivered.
- (2) A report mentioned in paragraph (1) shall contain—
  - a. identification details for the proceedings;
  - b. details of decisions taken by the creditors including details of any modifications to the proposals which were approved by the creditors; and
  - c. the date such decisions were made.

3.39 Administrator's proposals: revision

- (1) Where section 491(1) of the Principal Act applies, the statement of the proposed revision which is required to be delivered to the creditors shall be delivered with a notice of the meeting of creditors.
- (2) The statement shall identify the proceedings and include—
  - a. any other trading names of the company;
  - b. details of the administrator's appointment, including—
    - (i) the date of appointment, and
    - (ii) the person making the application or appointment;
  - c. the names of the directors and secretary of the company and details of any shareholdings in the company which they may have;
  - d. a summary of the original proposals and the reason or reasons for proposing a revision;
  - e. details of the proposed revision, including details of the administrator's assessment of the likely impact of the proposed revision upon creditors generally or upon each class of creditors;



- f. where the proposed revision relates to the ending of the administration by a creditors' voluntary winding up and the nomination of a person to be the proposed liquidator of the company—
    - (i) details of the proposed liquidator, and
    - (ii) a statement that the creditors may, before the proposals are approved, nominate a different person as liquidator in accordance with section 521(6)(a) of the Principal Act and regulation 3.57(6)(b); and
  - g. any other information that the administrator thinks necessary to enable creditors to decide whether or not to vote for the proposed revisions.
- (3) The period within which, subject to section 491(3) of the Principal Act, the administrator shall send a copy of the statement to every member of the company of whose address the administrator is aware is five (5) working days after sending the statement of the proposed revision to the creditors.
- (4) Notice under section 491(3) and (4) of the Principal Act shall—
- a. be published on the company's website within the period prescribed in paragraph (3) above; and
  - b. state that members may request in writing a copy of the proposed revision as well as the address to which to write.

#### 3.40 Notice of result of creditors' decision on revised proposals (section 491(6))

- (1) In addition to delivering a report to the court and the Commission (in accordance with section 491(6) of the Principal Act), the administrator shall deliver a report to—
- a. the company's creditors (accompanied by a copy of the original statement of proposals and the revised statement of proposals if the administrator had not delivered notice of the creditors meeting to the creditor); and
  - b. every other person to whom a copy of the original statement of proposals was delivered.
- (2) A report mentioned in paragraph (1) above shall contain—
- a. identification details for the proceedings;
  - b. the date of the revised proposals;

- c. details of decisions taken by the creditors including details of any modifications to the revised proposals which were approved by the creditors; and
  - d. the date such decisions were made.
- (3) A copy of the statement of revised proposals shall accompany the notice to the court.

### 3.41 Limited disclosure of statements of affairs and proposals: Application of Part

This Part applies to the disclosure of information which would be likely to prejudice the conduct of the administration or might reasonably be expected to lead to violence against any person.

### 3.42 Orders limiting disclosure of statement of affairs

- (1) If the administrator thinks that the circumstances in regulation 3.41 apply in relation to the disclosure of—
- a. the whole or part of the statement of the company's affairs;
  - b. any of the matters specified in regulation 3.32(1)(h) and (i) (administrator's proposals); or
  - c. a statement of concurrence,
- the administrator may apply to the court for an order in relation to the particular document or a specified part of it.
- (2) The court may order that the whole of or a specified part of a document referred to in paragraph (1)(a) to (c) shall not be delivered to the Commission or, in the case of the statement of proposals, to creditors or members of the company.
- (3) The administrator shall not later than five (5) working days from the date of the order deliver to the Commission—
- a. a copy of the order;
  - b. the statement of affairs, statement of proposals and any statement of concurrence to the extent provided by the order; and
  - c. if the order relates to the statement of proposals, an indication of the nature of the matter in relation to which the order was made.
- (4) If the order relates to the statement of proposals, the administrator shall not later than five (5) working days from the date of the order also deliver to the creditors and members of the company—
- a. the statement of proposals to the extent provided by the order; and

- b. an indication of the nature of the matter in relation to which the order was made.

#### 3.43 Order for disclosure by administrator

- (1) A creditor may apply to the court for an order that the administrator discloses any of the following in relation to which an order has been made under regulation 3.42(2)—
  - a. a statement of affairs;
  - b. a specified part of it;
  - c. a part of a statement of proposals; or
  - d. statement of concurrence.
- (2) The application shall be supported by an affidavit.
- (3) The applicant shall deliver to the administrator notice of the application at least three (3) working days before the hearing.
- (4) In an order for disclosure, the court may include conditions as to confidentiality, duration, the scope of the order in the event of any change of circumstances or such other matters as it thinks just.

#### 3.44 Rescission or amendment of the order for limited disclosure

- (1) If there is a material change in circumstances rendering an order for limited disclosure under regulation 3.42(2) wholly or partially unnecessary, the administrator shall not later than three (3) working days apply to the court for the order to be rescinded or amended.
- (2) If the court makes such an order, the administrator shall not later than five (5) working days deliver to the Commission—
  - a. a copy of the order; and
  - b. the statement of affairs, the statement of proposals and any statement of concurrence to the extent provided by the order.
- (3) If the order relates to the statement of proposals, the administrator shall not later than seven (7) working days from the date of the order also deliver to the creditors and members the statement of proposals to the extent allowed by the order.

#### 3.45 Publication of statement of affairs or statement of proposals

- (1) If, after the administrator has sent a statement of proposals under section 486(4) of the Principal Act, a statement of affairs is delivered to the Commission in accordance with regulation 3.44(2) as the result of the

rescission or amendment of an order, the administrator shall deliver to the creditors a copy or summary of the statement of affairs as delivered to the Commission not later than five (5) working days from the date of delivery to the Commission.

- (2) The administrator is taken to comply with the requirements for delivery to members of the company in regulation 3.42(4) or 3.44(3) if the administrator publishes the required notice within the period specified in paragraph (1) above.
- (3) The required notice shall -
  - a. be published in the company's website;
  - b. state that members can request in writing—
    - (i) a copy of the statement of proposals to the extent provided by the order, and
    - (ii) an indication of the nature of the matter in relation to which the order was made;
  - c. state the address to which such a written request is to be made; and
  - d. be published not later than as soon as reasonably practicable after the administrator has delivered the statement of proposals to the extent provided by the order to the company's creditors.

### 3.46 Disposal of Charged Property

- (1) This regulation applies where the administrator applies to the court under section 508 or 509 of the Principal Act for authority to dispose of—
  - a. property which is subject to a security other than a floating charge; or
  - b. goods in the possession of the company under a hire-purchase agreement.
- (2) The court shall fix a venue for the hearing of the application.
- (3) Not later than five (5) working days after the court has done so, the administrator shall deliver notice of the venue to the holder of the security or the owner of the goods.
- (4) If an order is made under section 508 or 509 of the Principal Act, the court shall deliver two copies to the administrator.
- (5) The administrator shall deliver—
  - a. one of the copies to the holder of the security or the owner of the goods; and
  - b. a copy of the order to the Commission.

### 3.47 Expenses of the Administration

#### **Expenses**

All fees, costs, charges and other expenses properly incurred in the course of the administration are to be treated as expenses of the administration.

### 3.48 Order of priority

- (1) Where there is a former administrator, the items in section 537 of the Principal Act are payable in priority to the expenses in this regulation.
- (2) Subject to paragraph (1) above, and to any court order under paragraph (3) the expenses of the administration are payable in the following order of priority—
  - a. expenses properly incurred by the administrator in performing the administrator's functions;
  - b. the cost of any security provided by the administrator in accordance with the Principal Act or these Regulations;
  - c. where an administration order was made, the costs of the applicant and any person appearing on the hearing of the application whose costs were allowed by the court;
  - d. where the administrator was appointed otherwise than by order of the court—
    - (i) the costs and expenses of the appointer in connection with the making of the appointment, and
    - (ii) the costs and expenses incurred by any other person in giving notice of intention to appoint an administrator;
  - e. any amount payable to a person in respect of assistance in the preparation of a statement of affairs or statement of concurrence;
  - f. any allowance made by order of the court in respect of the costs on an application for release from the obligation to submit a statement of affairs or deliver a statement of concurrence;
  - g. any necessary disbursements by the administrator in the course of the administration (including any expenses incurred by members of the creditors' committee or their representatives and allowed for by the administrator under regulation 5.20, but not including any payment of companies' tax in circumstances referred to in subparagraph (j) below);
  - h. the remuneration or emoluments of any person who has been employed by the administrator to perform any services for the

company, as required or authorised under the Principal Act or these Regulations;

- i. the administrator's remuneration the basis of which has been fixed under Part 6 of these Regulations and unpaid pre-administration costs approved under regulation 3.49; and
  - j. the amount of any companies' tax on chargeable gains accruing on the realisation of any asset of the company (irrespective of the person by whom the realisation is effected).
- (3) If the assets are insufficient to satisfy the liabilities, the court may make an order as to the payment out of the assets of the expenses incurred in the administration in such order of priority as the court thinks just.

#### 3.49 Pre-administration costs

- (1) Where the administrator has made a statement of pre-administration costs under regulation 3.32(7)(a), the creditors' committee may determine whether and to what extent the unpaid pre-administration costs set out in the statement are approved for payment.
- (2) Paragraph (3) applies where—
- a. there is no creditors' committee;
  - b. there is a creditors' committee but it does not make the necessary determination; or
  - c. the creditors' committee does make the necessary determination but the administrator or other insolvency practitioner who has charged fees or incurred expenses as pre-administration costs considers the amount determined to be insufficient.
- (3) When this paragraph applies, determination of whether and to what extent the unpaid pre-administration costs are approved for payment shall be—
- a. by a decision of the creditors; or
  - b. in a case where the administrator has made a statement under section 489(1)(b) of the Principal Act, by—
    - (i) the consent of each of the secured creditors, or
    - (ii) if the administrator has made, or intends to make, a distribution to preferential creditors, by—
      - (aa) the consent of each of the secured creditors, and
      - (bb) a decision of the preferential creditors.

- (4) The administrator shall call a meeting of the creditors' committee if so requested for the purposes of paragraphs (1) to (3) by another insolvency practitioner who has charged fees or incurred expenses as pre-administration costs; and the administrator shall deliver notice of the meeting within twenty-eight (28) days of receipt of the request.
- (5) The administrator (where the fees were charged or expenses incurred by the administrator) or other insolvency practitioner (where the fees were charged or expenses incurred by that practitioner) may apply to the court for a determination of whether and to what extent the unpaid pre-administration costs are approved for payment if either—
  - a. there is no determination under paragraph (1) or (3); or
  - b. there is such a determination but the administrator or other insolvency practitioner who has charged fees or incurred expenses as pre-administration costs considers the amount determined to be insufficient.
- (6) Where there is a creditors' committee, the administrator or other insolvency practitioner shall deliver at least fourteen (14) days' notice of the hearing to the members of the committee; and the committee may nominate one or more of its members to appear, or be represented, and to be heard on the application.
- (7) If there is no creditors' committee, notice of the application shall be delivered to such one or more of the company's creditors as the court may direct, and those creditors may nominate one or more of their number to appear or be represented, and to be heard on the application.
- (8) The court may, if it appears to be a proper case, order the costs of the application, including the costs of any member of the creditors' committee appearing or being represented on it, or of any creditor so appearing or being represented, to be paid as an expense of the administration.
- (9) Where the administrator fails to call a meeting of the creditors' committee in accordance with paragraph (4), the other insolvency practitioner may apply to the court for an order requiring the administrator to do so.

### 3.50 Extension and ending of administration

#### **Interpretation**

***“final progress report”*** means in these Regulations, and in Part 6 in so far as it relates to final progress reports in an administration, a progress report which includes a summary of—

- (a) the administrator's proposals;
- (b) any major amendments to, or deviations from, those proposals;
- (c) the steps taken during the administration; and
- (d) the outcome.

3.51 Application to extend an administration and extension by consent (section 513(2))

- (1) This regulation applies where an administrator makes an application to the court for an order, or delivers a notice to the creditors requesting their consent, to extend the administrator's term of office under section 513(2) of the Principal Act.
- (2) The application or the notice shall state the reasons why the administrator is seeking an extension.
- (3) A request to the creditors may contain or be accompanied by a notice that if the extension is granted, a notice of the extension will be made available for viewing and downloading on a website and that no other notice will be delivered to the creditors.
- (4) Where the result of a request to the creditors is to be made available for viewing and downloading on a website, the notice shall comply with the requirements for use of a website to deliver documents set out in regulation 1.37(1)(a) to (c), (2) and (3) with any necessary modifications and regulation 1.37(4)(a) applies to determine the time of delivery of the document.
- (5) Where the court makes an order extending the administrator's term of office, the administrator shall not later than five (5) working days from the date of the order deliver to the creditors a notice of the order together with the reasons for seeking the extension given in the application to the court.
- (6) Where the administrator's term of office has been extended with the consent of creditors, the administrator shall not later than five (5) working days from the date consent is given, deliver a notice of the extension to the creditors except where paragraph (3) applies.
- (7) The notices which section 516(3)(b) of the Principal Act requires to be delivered to the Commission.

3.52 Notice of automatic end of administration (section 513)

- (1) This regulation applies where—
  - a. the appointment of an administrator has ceased to have effect; and



- b. the administrator is not required by any other regulation to give notice of that fact.
- (2) The former administrator shall within five (5) working days of the date on which the appointment has ceased, deliver to the Commission and file with the court a notice accompanied by a final progress report.
- (3) The notice shall be headed “Notice of automatic end of administration” and identify the company immediately below the heading.
- (4) The notice shall contain—
  - a. identification details for the proceedings;
  - b. the former administrator’s name and address;
  - c. a statement that that person had been appointed administrator of the company;
  - d. the date of the appointment;
  - e. the name of the person who made the appointment or the administration application, as the case may be;
  - f. a statement that the appointment has ceased to have effect;
  - g. the date on which the appointment ceased to have effect; and
  - h. a statement that a copy of the final progress report accompanies the notice.
- (5) The notice shall be authenticated by the administrator and dated.
- (6) A copy of the notice and accompanying final progress report shall be delivered within five (5) working days of the date on which the appointment has ceased to—
  - a. the directors of the company; and
  - b. all other persons to whom notice of the administrator’s appointment was delivered.
- (7) A former administrator who makes default in complying with this regulation is guilty of an offence and liable to a fine of ₦50,000 and, for continued contravention, to a daily default fine of ₦2,000.

### 3.53 Notice of end of administration when purposes achieved (section 518(2))

- (1) Where an administrator who was appointed under section 452 or 459 of the Principal Act thinks that the purpose of administration has been sufficiently achieved, the notice (“notice of end of administration”) which the administrator may file with the court and deliver to the Commission under section 518(2) of the Principal Act shall be headed “Notice of end

of administration” and identify the company immediately below the heading.

- (2) The notice shall contain—
  - a. identification details for the proceedings;
  - b. the administrator’s name and address;
  - c. a statement that that person has been appointed administrator of the company;
  - d. the date of the appointment;
  - e. the name of the person who made the appointment or the administration application, as the case may be;
  - f. a statement that the administrator thinks that the purpose of the administration has been sufficiently achieved;
  - g. a statement that a copy of the final progress report accompanies the notice; and
  - h. a statement that the administrator is filing the notice with the court and delivering a copy to the Commission.
- (3) The notice shall be authenticated by the administrator and dated.
- (4) The notice shall be accompanied by a final progress report.
- (5) The notice filed with the court shall also be accompanied by a copy of the notice.
- (6) The court shall endorse the notice and the copy with the date and time of filing, stamp the copy and deliver it to the administrator.
- (7) The prescribed period within which the administrator, under section 518(4) of the Principal Act, shall send a copy of the notice to the creditors is five (5) working days from the filing of the notice.
- (8) The copy of the notice sent to creditors shall be accompanied by the final progress report.
- (9) The administrator shall within the same period deliver a copy of the notice and the final progress report to all other persons (other than the creditors and the Commission) to whom notice of the administrator’s appointment was delivered.
- (10) The administrator is taken to have complied with the requirement in section 518(4) of the Principal Act to give notice to the creditors if, within five (5) working days of filing the notice with the court, the administrator delivers the notice on the company’s website, publishes it in the gazette or in a daily newspaper a notice which—

- a. states that the administration has ended, and the date on which it ended;
- b. undertakes that the administrator will provide a copy of the notice of end of administration to any creditor of the company who applies in writing; and
- c. specifies the address to which to write.

3.54 Administrator's application for order ending administration (section 517)

(1) An application to court by the administrator under section 517 of the Principal Act for an order ending an administration shall be accompanied by—

- a. a progress report for the period since—
  - (i) the last progress report (if any), or
  - (ii) if there has been no previous progress report, the date on which the company entered administration;
- b. a statement indicating what the administrator thinks should be the next steps for the company (if applicable); and
- c. where the administrator makes the application because of a requirement decided by the creditors, a statement indicating with reasons whether or not the administrator agrees with the requirement.

(2) Where the application is made other than because of a requirement by a decision of the creditors—

- a. the administrator shall, at least five (5) working days before the application is made, deliver notice of the administrator's intention to apply to court to—
  - (i) the person who made the administration application or appointment, and
  - (ii) the creditors; and
- b. the application shall be accompanied by—
  - (i) a statement that notice has been delivered to the creditors, and
  - (ii) copies of any response from creditors to that notice.

(3) Where the application is in conjunction with a petition under section 573 of the Principal Act for an order to wind up the company, the administrator shall, at least five (5) working days before the application is filed, deliver notice to the creditors as to whether the administrator intends to seek appointment as liquidator.

3.55 Creditor's application for order ending administration (section 519)

- (1) Where a creditor applies to the court under section 519 of the Principal Act for an order ending an administration, a copy of the application shall be delivered, not less than five(5) working days before the date fixed for the hearing, to—
  - a. the administrator;
  - b. the person who made the administration application or appointment; and
  - c. where the appointment was made under section 452 of the Principal Act, the holder of the floating charge by virtue of which the appointment was made (if different to (b)).
- (2) Any of those persons may appear at the hearing of the application.
- (3) Where the court makes an order under section 519 of the Principal Act ending the administration, the court shall cause the order to be delivered a copy of the order to the administrator.

3.56 Notice by administrator of court order

Where the court makes an order ending the administration, the administrator shall not later than fourteen (14) days from the date of the order deliver a copy of the order and of the final progress report to—

- a. the Commission;
- b. the directors of the company; and
- c. all other persons to whom notice of the administrator's appointment was delivered.

3.57 Moving from administration to creditors' voluntary winding up (section 521)

- (1) This regulation applies where the administrator delivers to the Commission a notice under section 521(2) of the Principal Act of moving from administration to creditors' voluntary winding up.
- (2) The notice shall contain—
  - a. identification details for the proceedings;
  - b. the name of the person who made the appointment or the administration application, as the case may be; and

- c. the name and CAC accreditation number of the proposed liquidator.
- (3) The notice to the Commission shall be accompanied by a copy of the administrator's final progress report.
- (4) A copy of the notice and the final progress report shall not later than five (5) working days after delivery of the notice to all those persons to whom notice of the administrator's appointment was delivered in addition to the creditors (as required by section 521(4)(b)).
- (5) The person who ceases to be administrator on the registration of the notice shall inform the person who becomes liquidator of anything which happens after the date of the final progress report and before the registration of the notice which the administrator would have included in the final report had it happened before the date of the report.
- (6) For the purposes of section 521(6)(a) of the Principal Act, a person is nominated by the creditors as liquidator by—
  - a. their approval of the statement of the proposed liquidator in the administrator's proposals or revised proposals; or
  - b. their nomination of a different person before their approval of the proposals or revised proposals.
- (7) Where the creditors nominate a different person, the nomination shall, where applicable, include the declaration whether any act required or authorised under any enactment to be done by the administrator is to be done by all or any one or more of the persons for the time being holding the office of administrator.

### 3.58 Moving from administration to dissolution (section 522)

- (1) This regulation applies where the administrator delivers to the Commission a notice under section 522 of the Principal Act of moving from administration to dissolution.
- (2) The notice shall identify the proceedings.
- (3) Not later than five (5) working days of delivery of the notice, the administrator shall deliver a copy of the notice to all persons to whom notice of the administrator's appointment was delivered (in addition to the creditors mentioned in section 522(5)(b) of the Principal Act).
- (4) A final progress report shall accompany the notice to the Commission and every copy filed or otherwise delivered.
- (5) Where a court makes an order under section 522(7) of the Principal Act it shall, where the applicant is not the administrator, deliver a copy of the order to the administrator.

- (6) The administrator shall deliver a copy of the order to the Commission with the notice required under section 522(8) of the Principal Act.

### 3.59 Replacing the administrator

#### **Grounds for resignation**

- (1) The administrator may resign—
- a. on grounds of ill health;
  - b. because of the intention to cease to practise as an insolvency practitioner; or
  - c. because the further discharge of the duties of administrator is prevented or made impractical by—
    - (i) a conflict of interest, or
    - (ii) a change of personal circumstances.
- (2) The administrator may, with the permission of the court, resign on other grounds.

### 3.60 Notice of intention to resign

- (1) The administrator shall give at least five (5) working days' notice of intention—
- a. to resign in a case falling within regulation 3.59(1); or
  - b. to apply for the court's permission to resign in a case falling within regulation 3.59(2).
- (2) The notice shall contain—
- a. identification details for the proceedings;
  - b. the date of the appointment of the administrator;
  - c. the name of the person who made the appointment or the administration application, as the case may be.
- (3) The notice shall also contain—
- a. the date with effect from which the administrator intends to resign; or
  - b. where the administrator was appointed by an administration order, the date on which the administrator intends to file with the court an application for permission to resign.
- (4) The notice shall be delivered—
- a. to any continuing administrator of the company;
  - b. to the creditors' committee (if any);

- c. if there is neither a continuing administrator nor a creditors' committee, to—
    - (i) the company, and
    - (ii) the company's creditors;
  - d. where the administrator was appointed by the holder of a qualifying floating charge under section 452 of the Principal Act, to—
    - (i) the person who appointed the administrator, and
    - (ii) all holders of prior qualifying floating charges;
  - e. where the administrator was appointed by the company or the directors of the company under section 459 of the Principal Act, to—
    - (i) the appointer, and
    - (ii) all holders of qualifying floating charges.
- (5) The notice shall be accompanied by a summary of the administrator's receipts and payments.

### 3.61 Notice of resignation (section 525)

- (1) A resigning administrator shall, within five (5) working days of delivering the notice under section 525(2) of the Principal Act, deliver a copy of the notice to—
- a. the Commission;
  - b. all persons, other than the person who made the appointment, to whom notice of intention to resign was delivered under regulation 3.60; and
  - c. except where the appointment was by administration order, file a copy of the notice with the court.
- (2) The notice shall contain—
- a. identification details for the proceedings;
  - b. the date of the appointment of the administrator; and
  - c. the name of the person who made the appointment or the administration application, as the case may be.
- (3) The notice shall state—
- (a) the date from which the resignation is to have effect; and
  - (b) where the resignation is with the permission of the court, the date on which permission was given.

- (4) Where an administrator was appointed by an administration order, notice of resignation under section 525(2)(a) of the Principal Act shall be given by filing the notice with the court.

3.62 Application to court to remove administrator from office

- (1) An application for an order under section 526 of the Principal Act for the removal of the administrator from office shall state the grounds on which the order is requested.
- (2) A copy of the application shall be delivered, not less than five working days before the date fixed for the hearing—
- a. to the administrator;
  - b. to the person who—
    - (i) made the application for the administration order, or
    - (ii) appointed the administrator;
  - c. to the creditors' committee (if any);
  - d. to any continuing administrator appointed to act jointly or concurrently; and
  - e. where there is neither a creditors' committee nor a continuing administrator appointed, to the company and the creditors, including any floating charge holders.
- (3) The court shall deliver to the applicant a copy of any order removing the administrator.
- (4) The applicant shall deliver a copy—
- a. within five (5) working days of the order being delivered, to the administrator; and
  - b. within five (5) working days of the order being delivered, to—
    - (i) all other persons to whom notice of the application was delivered, and
    - (ii) the Commission.

3.63 Notice of vacation of office when administrator ceases to be qualified to act

An administrator who has ceased to be qualified to act as an insolvency practitioner in relation to the company and gives notice in accordance with section 527 of the Principal Act shall also deliver notice to the Commission.



### 3.64 Deceased administrator

- (1) If the administrator dies, a notice of the fact and date of death shall be filed with the court.
- (2) The notice shall be filed within twenty-one (21) days from the date of the administrator's death by one of the following—
  - a. a surviving administrator;
  - b. a member of the deceased administrator's firm (if the deceased was a member or employee of a firm);
  - c. an officer of the deceased administrator's company (if the deceased was an officer or employee of a company); or
  - d. a personal representative of the deceased administrator.
- (3) If such a notice has not been filed within the twenty-one (21) days, then any other person may file the notice.
- (4) The person who files the notice shall also deliver a notice to the Commission which contains—
  - a. identification details for the proceedings;
  - b. the name of the person who made the appointment or the administration application, as the case may be;
  - c. the date of the appointment of the administrator; and
  - d. the fact and date of death.

### 3.65 Application to replace

- (1) Where an application to court is made under section 529(1) or 533 of the Principal Act to appoint a replacement administrator, the application shall be accompanied by the proposed replacement administrator's consent to act.
- (2) Where the application is made under section 529(1), a copy of the application shall be delivered—
  - a. to the person who made the application for the administration order;
  - b. to any person who has appointed a receiver and manager of the company;
  - c. to any person who is or may be entitled to appoint a receiver and manager of the company;
  - d. to any person who is or may be entitled to appoint an administrator of the company under section 452 of the Principal Act;
  - e. to any receiver and manager of the company;
  - f. if there is pending a petition for the winding up of the company, to -

- (i) the petitioner, and
    - (ii) any provisional liquidator;
  - g. to the company, if the application is made by anyone other than the company;
  - h. to any supervisor of any CVA in relation to the company; and
  - i. to the proposed administrator.
- (3) Where the application is made under section 533 of the Principal Act, the application shall be accompanied by an affidavit setting out the applicant's belief as to the matters set out in that section.
- (4) Regulation 3.12, 3.13, and 3.15(1) and (2) apply to applications made under section 529(1) and 533 of the Principal Act, with any necessary modifications.

### 3.66 Appointment of replacement or additional administrator

Where a replacement administrator is appointed or an additional administrator is appointed to act—

- a. the following apply—
  - (i) regulation 3.17 (notice of appointment) the requirement as to the heading in paragraph (1), paragraphs (1)(a) to (f), and (2),
  - (ii) regulation 3.18 (filing of notice with court) paragraphs (1)(a) and (b)(ii), (2) and (3),
  - (iii) regulation 3.24 (notice of appointment after notice of intention to appoint) paragraphs (1)(a) to (d) and (2),
  - (iv) regulation 3.25 (notice of appointment without prior notice of intention to appoint) paragraphs (1), (2)(a) to (c) and (3),
  - (v) regulation 3.26 (notice of appointment: filing with the court) paragraphs (1)(a), (3) and (4), and
  - (vi) regulation 3.27 (publication of administrator's appointment) paragraphs (1), (2)(a) and (b), (3) and (4);
- b. the replacement or additional administrator shall deliver notice of the appointment to the Commission not later than five (5) working days from the date of appointment; and
- c. all documents shall clearly identify the appointment as of a replacement administrator or an additional administrator.

### 3.67 Administrator's duties on vacating office

- (1) An administrator who ceases to be in office as a result of removal, resignation or ceasing to be qualified to act as an insolvency practitioner in relation to the company shall within fourteen (14) working days deliver to the person succeeding as administrator—
  - a. the assets (after deduction of any expenses properly incurred and distributions made by the departing administrator);
  - b. the records of the administration, including correspondence, proofs and other documents relating to the administration while it was within the responsibility of the departing administrator; and
  - c. the company's records.
- (2) An administrator who makes default in complying with this regulation is guilty of an offence and liable to a fine of ₦50,000 and, for continued contravention, to a daily default fine of ₦2,000.

### 3.68 Further information where administrator becomes liquidator (section 521(2))

- (1) This regulation applies where an administrator becomes liquidator on the registration of a notice under section 521(2) of the Principal Act, and becomes aware of creditors not formerly known to that person as administrator.
- (2) The liquidator shall deliver to those creditors a copy of any statement delivered by the administrator to creditors in accordance with section 486(4) of the Principal Act and regulation 3.32.

## PART 4

### 4.00 PROXIES AND CORPORATE REPRESENTATION

#### 4.01 Application and Interpretation

- (1) This Part applies in any case where a proxy is given in relation to a meeting or proceedings under the Principal Act or these Regulations, or where a corporation authorises a person to represent it.
- (2) References in this Part to “the chair” are to the chair of the meeting for which a specific proxy is given or at which a continuing proxy is exercised.

#### 4.02 Specific and Continuing Proxies

- (1) A “proxy” is a document made by a creditor or member which directs or authorises another person (“the proxy-holder”) to act as the representative of the creditor or member at a meeting or meetings by speaking, voting, abstaining, or proposing resolutions.
- (2) A proxy may be either—
  - a. a specific proxy which relates to a specific meeting; or
  - b. a continuing proxy for the insolvency proceedings.
- (3) A specific proxy shall—
  - a. direct the proxy-holder how to act at the meeting by giving specific instructions;
  - b. authorise the proxy-holder to act at the meeting without specific instructions; or
  - c. contain both direction and authorisation.
- (4) A proxy is to be treated as a specific proxy for the meeting which is identified in the proxy unless it states that it is a continuing proxy for the insolvency proceedings.
- (5) A continuing proxy shall authorise the proxy-holder to attend, speak, vote or abstain, or to propose resolutions without giving the proxy-holder any specific instructions how to do so.
- (6) A continuing proxy may be superseded by a proxy for a specific meeting or withdrawn by a written notice to the office-holder.
- (7) A creditor or member may appoint more than one person to be proxy-holder but if so—
  - a. their appointment is as alternates; and
  - b. only one of them may act as proxy-holder at a meeting.

- (8) The proxy-holder shall be an individual.

#### 4.03 Blank Proxy

- (1) A “blank proxy” is a document which—
- a. complies with the requirements in this regulation; and
  - b. when completed with the details specified in paragraph (3) will be a proxy as described in regulation 4.02.
- (2) A blank proxy shall state—
- a. that the creditor or member named in the document (when completed) appoints a person who is named or identified as the proxy-holder of the creditor or member; and
  - b. whether the proxy is—
    - (i) for a specific meeting which is identified in the proxy, or
    - (ii) a continuing proxy for the proceedings.
- (3) The specified details are—
- a. the name and address of the creditor or member;
  - b. either the name of the proxy-holder or the identification of the proxy-holder (for example, the chair of the meeting); and
  - c. if the proxy is for a specific meeting, instructions as to the extent to which the proxy-holder is directed to vote in a particular way, to abstain or to propose any resolution.
- (4) A blank proxy shall not have inserted in it the name or description of any person as proxy-holder or instructions as to how a person appointed as proxy-holder is to act.
- (5) A blank proxy shall have a note to the effect that the proxy may be completed with the name of the person or the chair of the meeting who is to be proxy-holder.

#### 4.04 Use of Proxies

- (1) A proxy for a specific meeting shall be delivered to the chair before the meeting.
- (2) A continuing proxy shall be delivered to the office-holder and may be exercised at any meeting which begins after the proxy is delivered.
- (3) A proxy may be used at the resumption of the meeting after an adjournment, but if a different proxy is given for use at a resumed meeting, that proxy shall be delivered to the chair before the start of the resumed meeting.

- (4) Where a specific proxy directs a proxy-holder to vote for or against a resolution for the nomination or appointment of a person as office-holder, the proxy-holder may, unless the proxy states otherwise, vote for or against (as the proxy-holder thinks fit) a resolution for the nomination or appointment of that person jointly with another or others.
- (5) A proxy-holder may propose a resolution which is one on which the proxy-holder could vote if someone else proposed it.
- (6) Where a proxy gives specific directions as to voting, this does not, unless the proxy states otherwise, prohibit the proxy-holder from exercising discretion on how to vote on a resolution which is not dealt with by the proxy.
- (7) The chair may require a proxy used at a meeting to be the same as or substantially similar to the blank proxy delivered for that meeting or to a blank proxy previously delivered which has been completed as a continuing proxy.

#### 4.05 Use of Proxies by the Chair

- (1) Where a proxy appoints the chair (however described in the proxy) as proxy-holder the chair may not refuse to be the proxy-holder.
- (2) Where the office-holder is appointed as proxy-holder but another person acts as chair of the meeting, that other person may use the proxies as if that person were the proxy-holder.
- (3) Where, in a meeting of creditors in an administration, the chair holds a proxy which requires the proxy-holder to vote for a particular resolution and no other person proposes that resolution, the chair shall propose it unless the chair considers that there is good reason for not doing so.
- (4) If the chair does not propose such a resolution, the chair shall as soon as reasonably practicable after the meeting deliver a notice of the reason why that was not done to the creditor.

#### 4.06 Right of inspection and retention of proxies

- (1) A person attending a meeting is entitled, immediately before or in the course of the meeting, to inspect proxies and associated documents delivered to the chair or to any other person in accordance with the notice convening the meeting.
- (2) The chair shall—
  - a. retain the proxies used for voting at a meeting where the chair is the office-holder, or

- b. deliver them as soon as reasonably practicable after the meeting to the office-holder.
- (3) The office-holder shall allow proxies, so long as they remain in the office-holder's hands, to be inspected at all reasonable times on any working day by—
  - a. a creditor, in the case of proxies used at a meeting of creditors; or
  - b. a director of the company in the case of corporate insolvency proceedings.
- (4) However, the right of inspection is subject to refusal to inspect on grounds of confidentiality of documents.

#### 4.07 Proxy-holder with Financial Interest

- (1) A proxy-holder shall not vote for a resolution which would—
  - a. directly or indirectly place the proxy-holder or any associate of the proxy-holder in a position to receive any remuneration, fees or expenses from the insolvent estate; or
  - b. fix or change the amount of or the basis of any remuneration, fees or expenses receivable by the proxy-holder or any associate of the proxy-holder out of the insolvent estate.
- (2) However, a proxy-holder may vote for such a resolution if the proxy specifically directs the proxy-holder to vote in that way.
- (3) Where an office-holder is appointed as proxy-holder and that proxy is used under regulation 4.05(2) by another person acting as chair, the office-holder is deemed to be an associate of the person acting as chair.

#### 4.08 Instrument conferring authorisation to represent corporation

- (1) A person authorised to represent a corporation (other than as a proxy-holder) at a meeting of creditors shall produce to the chair—
  - a. the instrument conferring the authority; or
  - b. a copy of it certified as a true copy by—
    - (i) two directors,
    - (ii) a director and the secretary, or
    - (iii) a director in the presence of a witness who attests the director's signature.
- (2) The instrument conferring the authority shall have been executed in accordance with sections 101 and 102 of the Principal Act unless the instrument is the constitution of the corporation.

## PART 5

### 5.00 CREDITORS' COMMITTEE

#### 5.01 Scope and Interpretation

This Part applies to the establishment and operation of a creditors' committee in an administration.

#### 5.02 Functions of the Committee

In addition to any functions conferred on a committee by any provision of the Principal Act, the committee is to—

- a. assist the administrator in discharging the administrator's functions and act in relation to the administration in such manner as may from time to time be agreed,
- b. devise or revise a reorganization plan, or decide whether the company should be liquidated.

#### 5.03 Membership and Formalities for the Formation of the Committee

##### **Number of members of the committee**

A committee shall have at least three members but not more than five members.

#### 5.04 Eligibility for Membership of the Committee

(1) A creditor is eligible to be a member of such a committee if—

- a. the person has proved for a debt;
- b. the debt is not fully secured; and
- c. neither of the following apply—
  - (i) the proof has been wholly disallowed for voting purposes, or
  - (ii) the proof has been wholly rejected for the purpose of distribution or dividend.

(2) A body corporate may be a member of a creditors' committee, but it cannot act otherwise than by a representative appointed under regulation 5.17.



#### 5.05 Establishment of the Committee

- (1) Where the creditors decide that a creditors' committee should be established, the chair of the creditors' meeting (if not the administrator) shall—
  - a. not later than five (5) working days from the date of the meeting deliver a notice of the decision to the administrator (or to the person appointed as administrator); and
  - b. where a decision has also been made as to membership of the committee, inform the administrator of the names and addresses of the persons elected to be members of the committee.
- (2) Before a person may act as a member of the committee the person shall agree to do so.
- (3) A person's proxy-holder attending a meeting establishing the committee or, in the case of a corporation, its duly appointed representative, may give such agreement (unless the proxy or instrument conferring authority contains a statement to the contrary).
- (4) Where a decision has been made to establish a committee but not as to its membership, the administrator shall seek a decision from the creditors.
- (5) The committee is not established (and accordingly cannot act) until the administrator has delivered a notice of its membership in accordance with paragraph (9).
- (6) The notice shall contain the following—
  - a. a statement that the committee has been duly constituted;
  - b. identification details for any company that is a member of the committee;
  - c. the full name and address of each member that is not a company.
- (7) The notice shall be authenticated and dated by the administrator.
- (8) The notice shall be delivered not later than five (5) working days after the minimum number of persons required by regulation 5.03 have agreed to act as members and been elected.
- (9) The administrator shall deliver the notice to the Commission within five (5) working days.

#### 5.06 Notice of change of Membership of the Committee

- (1) The administrator shall deliver or file a notice if there is a change in membership of the committee.
- (2) The notice shall contain the following—

- a. the date of the original notice in respect of the constitution of the committee and the date of the last notice of membership given under this regulation (if any);
  - b. a statement that this notice of membership replaces the previous notice;
  - c. identification details for any company that is a member of the committee;
  - d. the full name and address of any member that is not a company;
  - e. a statement whether any member has become a member since the issue of the previous notice;
  - f. the identification details for a company or otherwise the full name of any member named in the previous notice who is no longer a member and the date the membership ended.
- (3) The notice shall be authenticated and dated by the administrator.
  - (4) The administrator shall within five (5) working days deliver the notice to the Commission.

#### 5.07 Vacancies: Membership of the Committee

- (1) This regulation applies if there is a vacancy among the members of a creditors' committee.
- (2) A vacancy need not be filled if—
  - a. the administrator and a majority of the remaining creditor members agree; and
  - b. the total number of members does not fall below three.
- (3) The administrator may appoint a creditor, who is qualified under regulation 5.04 to be a member of the committee, to fill a vacancy or as an additional member of the committee, if—
  - a. a majority of the remaining members of the committee (provided there are at least two) agree to the appointment; and
  - b. the creditor agrees to act.
- (4) Alternatively, the administrator may seek a decision from creditors to appoint a creditor (with that creditor's consent) to fill the vacancy.
- (5) Where the vacancy is filled by an appointment made by a decision of creditors in which the administrator did not participate, the chair shall report the appointment to the administrator.

### 5.08 Resignation

A member of a committee may resign his appointment-

- a. by giving notice of his resignation to the administrator in writing.
- b. The notice shall contain reasons for the resignation
- c. The administrator shall give notice of the resignation of the member of the committee to the Commission within five (5) working days of receipt of the notice
- d. The resignation takes effect from the date the administrator receives the notice.

### 5.09 Termination of Membership

A person's membership of a committee is automatically terminated if that person—

- a. becomes bankrupt;
- b. becomes a lunatic or person of unsound mind;
- c. is convicted of an offence involving fraud or dishonesty;
- d. neither attends nor is represented at three (3) consecutive meetings (unless it is resolved at the third of those meetings that this regulation is not to apply in that person's case);
- e. has ceased to be eligible to be a member of the committee under regulation 5.04;
- f. ceases to be a creditor or is found never to have been a creditor.

### 5.10 Removal

- (1) A creditor member of a committee may be removed by a resolution of the creditors.
- (2) At least fourteen (14) days' notice shall be given of the meeting
- (3) The administrator shall give notice of the removal of the member of the committee to the Commission within five (5) working days of the removal.

### 5.11 Meetings of committee

- (1) Meetings of the committee shall be held when and where determined by the administrator.
- (2) The administrator shall call a first meeting of the committee to take place within six (6) weeks of the committee's establishment.
- (3) After the calling of the first meeting, the administrator shall call a meeting—

- a. if so requested by a member of the committee or a member's representative (the meeting then to be held within twenty-one (21) days of the request being received by the administrator); and
  - b. for a specified date, if the committee has previously resolved that a meeting be held on that date.
- (4) The administrator shall give five (5) working days' notice of the venue of a meeting to each member of the committee (or a member's representative, if designated for that purpose), except where the requirement for notice has been waived in writing by or on behalf of a member.
- (5) Waiver may be signified either at or before the meeting.

#### 5.12 The Chair at Meetings

The chair at a meeting of a committee shall be the administrator or an appointed person.

#### 5.13 Quorum

A meeting of a committee is duly constituted if due notice of it has been delivered to all the members, and at least two (2) of the members are in attendance or represented.

#### 5.14 Committee-members' Representatives

- (1) A member of the committee may, in relation to the business of the committee, be represented by another person duly authorised by the member for that purpose.
- (2) A person acting as a committee-member's representative shall hold a letter of authority entitling that person to act (either generally or specifically) and authenticated by or on behalf of the committee-member.
- (3) A proxy or an instrument conferring authority (in respect of a person authorised to represent a corporation) is to be treated as a letter of authority to act generally (unless the proxy or instrument conferring authority contains a statement to the contrary).
- (4) The chair at a meeting of the committee may call on a person claiming to act as a committee-member's representative to produce a letter of authority, and may exclude that person if no letter of authority is produced at or by the time of the meeting or if it appears to the chair that the authority is deficient.
- (5) A committee member may not be represented by—

- a. another member of the committee;
  - b. a person who is at the same time representing another committee member;
  - c. a body corporate;
  - d. a person in relation to whom any of the events listed in regulation 5.09 applies;
  - e. a person whose estate has been sequestrated and who has not been discharged; or
  - f. a person who is subject to a disqualification order by a court or regulatory body.
- (6) Where a representative authenticates any document on behalf of a committee-member the fact that the representative authenticates as a representative shall be stated below the authentication.

#### 5.15 Voting Rights and Resolutions

- (1) At a meeting of the committee, each member has one vote.
- (2) A resolution is passed when -
  - (a) a majority of the members attending or represented have voted in favour of it.
  - (b) fourteen (14) days' notice of the meeting was given to members or their representatives.
- (3) Every resolution passed shall be recorded in writing and authenticated by the chair, either separately or as part of the minutes of the meeting, and the record shall be kept with the records of the proceedings.

#### 5.16 Resolutions by Correspondence

- (1) The administrator may seek to obtain the agreement of the committee to a resolution by delivering to every member details of the proposed resolution.
- (2) The details shall be set out in such a way that the recipient may indicate agreement or dissent and where there is more than one resolution may indicate agreement to or dissent from each one separately.
- (3) A member of the committee may, within five working days from the delivery of details of the proposed resolution, require the administrator to summon a meeting of the committee to consider the matters raised by the proposed resolution.

- (4) In the absence of such a request, the resolution is passed by the committee if a majority of the members deliver notice to the administrator that they agree with the resolution.
- (5) A copy of every resolution passed under this regulation, and a note that the agreement of the committee was obtained, shall be kept with the records of the proceedings.

#### 5.17 Remote attendance at Committee Meetings

- (1) Where the administrator considers it appropriate, a meeting may be conducted and held in such a way that persons who are not present together at the same place may attend it.
- (2) A person attends such a meeting if he is able to exercise the right to speak and vote at the meeting.
- (3) A person is able to exercise the right to speak at a meeting when that person is in a position to communicate during the meeting to all those attending the meeting any information or opinions which that person has on the business of the meeting.
- (4) A person is able to exercise the right to vote at a meeting when—
  - a. that person is able to vote, during the meeting, on resolutions or determinations put to the vote at the meeting, and
  - b. that person's vote can be taken into account in determining whether or not such resolutions or determinations are passed at the same time as the votes of all the other persons attending the meeting.
- (5) Where such a meeting is to be held the administrator shall make whatever arrangements the administrator considers appropriate to—
  - a. enable those attending the meeting to exercise their rights to speak or vote; and
  - b. verify the identity of those attending the meeting and to ensure the security of any electronic means used to enable attendance.
- (6) A requirement in these Regulations to specify a place for the meeting may be satisfied by specifying the arrangements the administrator proposes to enable persons to exercise their right to speak or vote where in the reasonable opinion of the administrator—
  - a. a meeting will be attended by persons who will not be present together at the same place; and
  - b. it is unnecessary or inexpedient to specify a place for the meeting.
- (7) In making the arrangements referred to in paragraph (6) and in forming the opinion referred to in paragraph (6)(b), the administrator shall have

regard to the legitimate interests of the committee members or their representatives attending the meeting in the efficient dispatch of the business of the meeting.

- (8) Where the notice of a meeting does not specify a place for the meeting the administrator shall specify a place for the meeting if at least one member of the committee requests the administrator to do so in accordance with regulation 5.18.

#### 5.18 Procedure for requests that a place for a meeting should be specified

- (1) This regulation applies to a request to the administrator under regulation 5.17(8) to specify a place for the meeting.
- (2) The request shall be made within three (3) working days of the date on which the administrator delivered the notice of the meeting in question.
- (3) Where the administrator considers that the request has been properly made in accordance with this regulation, the administrator shall—
  - a. deliver notice to all those previously given notice of the meeting—
    - (i) that it is to be held at a specified place, and
    - (ii) as to whether the date and time are to remain the same or not;
  - b. fix a venue for the meeting, the date of which shall be not later than seven (7) working days after the original date for the meeting; and
  - c. give three (3) working days' notice of the venue to all those previously given notices of the meeting.
- (4) The notices required by sub-paragraphs (a) and (c) may be delivered at the same or different times.
- (5) Notices of the venue of the meeting may be given by electronic means where the requirements for delivery of electronic notices under these Regulations have been complied with.
- (6) Where the administrator has specified a place for the meeting in response to a request under regulation 5.17(8), the chair of the meeting shall attend the meeting by being present in person at that place.

#### 5.19 Supply of information by the Administrator to the Committee

##### **Notice requiring administrator to attend the creditors' committee meeting (section 494(3)(a))**

- (1) This regulation principally applies where a committee in an administration resolves under section 494(3)(a) of the Principal Act to require the attendance of an administrator.

- (2) The notice delivered to the administrator requiring the administrator's attendance shall be—
  - a. accompanied by a copy of the resolution; and
  - b. authenticated by a member of the committee.
- (3) A member's representative may authenticate the notice for the member.
- (4) The meeting at which the administrator's attendance is required shall be fixed by the committee for a working day, and shall be held at such time and place as the administrator determines.
- (5) Where the administrator does not attend, the committee may elect one of their number to be chair of the meeting in place of the administrator or an appointed person.

## 5.20 Miscellaneous

### **Expenses of Members**

- (1) The administrator shall pay, as an expense of the insolvency proceedings, the reasonable travelling expenses directly incurred by members of the committee or their representatives in attending the committee's meetings or otherwise on the committee's business.
- (2) The requirement for the administrator to pay the expenses does not apply to a meeting of the committee held within six (6) weeks of a previous meeting, unless the meeting is summoned by the administrator.

## 5.21 Dealings by Committee Members and Others

- (1) Membership of the committee does not prevent a person from dealing with the company provided that a transaction is in good faith and for value.
- (2) The court may, on the application of an interested person—
  - a. set aside a transaction which appears to it to be contrary to this regulation; and
  - b. make such other order about the transaction as it thinks just including an order requiring a person to whom this regulation applies to account for any profit obtained from the transaction and compensate the company for any resultant loss.

## 5.22 Formal Defects

The acts of the creditors' committee are valid notwithstanding any defect in the appointment, election or qualifications of a member of the committee or a committee member's representative or in the formalities of its establishment.



## 5.23 Winding-up by the Court following an Administration

### **Continuation of Creditors' Committee**

- (1) This regulation applies where—
  - a. a winding-up order has been made by the court on the application of the administrator under section 517 of the Principal Act;
  - b. the court makes an order appointing the administrator as the liquidator; and
  - c. a creditors' committee was in existence immediately before the winding-up order was made.
- (2) The creditors' committee shall continue in existence after the date of the order as if appointed as a liquidation committee.
- (3) However, subject to regulation 5.07(3)(a), the committee cannot act until—
  - a. the minimum number of persons required by regulation 5.03 have agreed to act as members of the liquidation committee (including members of the former creditors' committee and any other who may be appointed under regulation 5.07); and
  - b. the liquidator has delivered a notice of continuance of the committee to the Commission.
- (4) The notice shall be delivered not later than five (5) working days from the date the minimum number of persons required have agreed to act as members or, if applicable, been appointed.
- (5) The notice shall contain—
  - a. a statement that the former creditors' committee is continuing in existence;
  - b. identification details for any company that is a member of the committee; and
  - c. the full name and address of each member that is not a company.
- (6) The notice shall be authenticated and dated by the administrator.

## 5.24 Inspection of Documents, Copies and Provision of Information

### **Right to copies of documents**

Where the Principal Act, in relation to proceedings under Chapters 17 and 18 of the Principal Act, or these Regulations give a person the right to inspect documents, that person has a right to be supplied on request with copies of those documents on payment of the standard fee for copies.

#### 5.25 Charges for copies of documents provided by the office-holder

Except where prohibited by these Regulations, an office-holder is entitled to require the payment of the standard fee for copies of documents requested by a creditor, or member.

#### 5.26 Offence in relation to inspection of documents

- (1) It is an offence for a person who does not have a right under these Regulations to inspect a relevant document falsely to claim to be a creditor or a member of a company with the intention of gaining sight of the document.
- (2) A relevant document is one which is on the court file or held by the office-holder or any other person and which a creditor or a member of a company has the right to inspect under the Principal Act or these Regulations.
- (3) A person guilty of an offence under this regulation is liable to imprisonment for six (6) months or a fine of ₦100,000, or both.

## PART 6

### 6.00 REPORTING AND REMUNERATION OF ADMINISTRATORS PROGRESS REPORTS

#### 6.01 Reporting by the Administrator

The administrator shall prepare and deliver reports in accordance with these Regulations.

#### 6.02 Contents of Progress Reports in Administration

- (1) The administrator's progress report in an administration shall contain the following—
  - a. identification details for the proceedings;
  - b. identification and contact details for the administrator;
  - c. the date of appointment of the administrator and any changes in the administrator in accordance with paragraphs (3) and (4);
  - d. details of progress during the period of the report, including a summary account of receipts and payments during the period of the report;
  - e. the information relating to remuneration and expenses required by regulation 6.03;
  - f. the information relating to distributions if applicable;
  - g. details of what remains to be done; and
  - h. any other information of relevance to the creditors.
- (2) The receipts and payments account in a final progress report shall state the amount, if any, paid to unsecured creditors.
- (3) A change in the administrator is only required to be shown in the next report after the change.
- (4) However, if the current administrator is seeking the repayment of pre-administration expenses from a former administrator the change in administrator shall continue to be shown until the next report after the claim is settled.
- (5) Where the period of an administrator's appointment is extended the next progress report after the date the extension is granted shall contain details of the extension.
- (6) Where an administration has converted to a voluntary winding up the first progress report by the liquidator shall include a note of any information

received by the liquidator from the former administrator under regulation 3.57(5) (matters occurring after the date of the administrator's final progress report).

#### 6.03 Information about Remuneration

- (1) The information relating to remuneration and expenses referred to in regulation 6.02(1)(e) is as follows—
- a. the basis fixed for the remuneration of the administrator under regulations 6.07 and 6.09 to 6.12 as applicable, (or, if not fixed at the date of the report, the steps taken during the period of the report to fix it);
  - b. if the basis of remuneration has been fixed, a statement of—
    - (i) the remuneration charged by the administrator during the period of the report, and
    - (ii) where the report is the first to be made after the basis has been fixed, the remuneration charged by the administrator during the periods covered by the previous reports, together with a description of the things done by the administrator during those periods in respect of which the remuneration was charged;
  - c. where the basis of the remuneration is fixed as a set amount under regulation 6.07(2)(c), it may be shown as that amount without any apportionment to the period of the report;
  - d. a statement of the expenses incurred by the administrator during the period of the report;
  - e. a statement setting out whether at the date of the report—
    - (i) the remuneration expected to be charged by the administrator is likely to exceed the fees estimate or any approval given under regulation 6.07(4),
    - (ii) the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration, and
    - (iii) the reasons for that excess; and
  - f. a statement of the rights of creditors—
    - (i) to request information about remuneration or expenses under regulation 6.06;
    - (ii) to challenge the administrator's remuneration and expenses under these regulations.

- (2) The information about remuneration and expenses is required irrespective of whether payment was made in respect of them during the period of the report.

#### 6.04 Information about Pre-Administration Costs

- (1) Where the administrator has made a statement of pre-administration costs under regulation 3.32(10) (a)—
  - a. if they are approved under regulation 3.49, the first progress report after the approval shall include a statement setting out the date of the approval and the amounts approved;
  - b. while any of the costs remain unapproved each successive report shall include a statement of any steps taken to get approval.
- (2) However, if either the administrator has decided not to seek approval, or another insolvency practitioner entitled to seek approval has told the administrator of that practitioner's decision not to seek approval then—
  - a. the next report after that shall include a statement of whichever is the case; and
  - b. no statement under paragraph (1)(b) is required in subsequent reports.

#### 6.05 Progress Reports in Administration: Timing

- (1) The administrator's progress report in an administration shall cover the periods of—
  - a. six months starting on the date the company entered administration; and
  - b. each subsequent period of six (6) months.
- (2) The periods for which progress reports are required under paragraph (1) are unaffected by any change in the administrator.
- (3) However, where an administrator ceases to act the succeeding administrator shall, as soon as reasonably practicable after being appointed, deliver a notice to the creditors of any matters about which the succeeding administrator thinks the creditors should be informed.
- (4) The administrator shall deliver a copy of a report to the Commission and the creditors within one month of the end of the period covered by the report unless the report is a final progress report.
- (5) An administrator who makes default in delivering a progress report within the time limit in paragraph (4) is guilty of an offence and liable to a fine of

~~₦~~50,000 and, for continued contravention, to a daily default fine of ~~₦~~2,000.

#### 6.06 Creditors' Requests for Further Information in Administration

- (1) The following may make a written request to the administrator for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under regulation 6.03(1)(b), (c) or (d)—
  - a. a secured creditor;
  - b. an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
  - c. any unsecured creditor with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons shall be made or filed with the court (as applicable) within twenty-one (21) days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.
- (3) The administrator shall, within fourteen (14) days of receipt of such a request respond to the person or persons who requested the information by—
  - a. providing all of the information requested;
  - b. providing some of the information requested; or
  - c. declining to provide the information requested.
- (4) The administrator may respond by providing only some of the information requested or decline to provide the information if—
  - (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
  - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the administrator is subject to an obligation of confidentiality in relation to the information.
- (5) An administrator who does not provide all the information or declines to provide the information shall inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor who need not be the same as the creditor who requested the information, may apply to the court within twenty-one (21) days of—

- (a) the administrator giving reasons for not providing all of the information requested; or
  - (b) the expiry of the fourteen (14) days within which an administrator shall respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

#### 6.07 Remuneration and Expenses in Administration

##### **Remuneration: Principles**

- (1) An administrator is entitled to receive remuneration for services provided to the company.
- (2) The basis of remuneration shall be fixed—
  - a. as a percentage of the value of the property with which the administrator has to deal, or
  - b. by reference to the time properly given by the administrator and the administrator's staff in attending to matters arising in the administration; or
  - c. as a specific amount.
- (3) The basis of remuneration may be one or a combination of the bases set out in paragraph (2) and different bases or percentages may be fixed in respect of different things done by the administrator.
- (4) Where an administrator proposes to take all or any part of the remuneration on the basis set out in paragraph (2)(b), the administrator shall, prior to the determination of which of the bases set out in paragraph (2) are to be fixed, deliver to the creditors—
  - a. a fees estimate; and
  - b. details of the expenses the administrator considers will be, or are likely to be, incurred.
- (5) The fees estimate and details of expenses given under paragraph (4) may include remuneration expected to be charged and expenses expected to be incurred if the administrator becomes the liquidator where the administration moves into winding up.
- (6) An administrator shall deliver to the creditors the information required under paragraph (7) before the determination of which of the bases set out in paragraph (2) is or are to be fixed, unless the information has already been delivered under paragraph (4).
- (7) The information the administrator is required to give under this paragraph is—

- a. the work the administrator proposes to undertake; and
  - b. details of the expenses the administrator considers will be, or are likely to be, incurred.
- (8) The matters to be determined in fixing the basis of remuneration are—
- a. which of the bases set out in paragraph (2) is or are to be fixed and (where appropriate) in what combination;
  - b. the percentage or percentages (if any) to be fixed under paragraphs (2)(a) and (3);
  - c. the amount (if any) to be set under paragraph (2)(c).
- (9) In arriving at that determination, regard shall be had to the following—
- a. the complexity (or otherwise) of the case;
  - b. any respect in which, in connection with the company's affairs, there falls on the administrator, any responsibility of an exceptional kind or degree;
  - c. the effectiveness with which the administrator appears to be carrying out, or to have carried out, the administrator's duties; and
  - d. the value and nature of the property with which the administrator has to deal.

#### 6.08 Remuneration of joint Administrators

Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned; and any dispute arising between them may be referred—

- a. to the committee or to the creditors for settlement by resolution; or
- b. to the court, for settlement by order.

#### 6.09 Remuneration: Procedure for initial determination in an Administration

- (1) This regulation applies to the determination of the administrator's remuneration.
- (2) It is for the committee to determine the basis of remuneration.
- (3) If the committee fails to determine the basis of the remuneration or there is no committee then the basis of remuneration shall be fixed by a decision of the creditors.
- (4) Where there is no committee or the committee fails to determine the basis of remuneration, the basis of the administrator's remuneration may be fixed by—
  - a. the consent of each of the secured creditors; or



- b. if the administrator has made or intends to make a distribution to preferential creditors—
  - (i) the consent of each of the secured creditors, and
  - (ii) a decision of the preferential creditors, if any.

6.10 Remuneration: Application to the court to fix the basis

- (1) If the basis of the administrator's remuneration is not fixed under regulations 6.09 then the administrator shall apply to the court for it to be fixed.
- (2) Before making such an application the administrator shall attempt to fix the basis in accordance with regulation 6.09.
- (3) An application under this regulation may not be made more than eighteen (18) months after the date of the administrator's appointment.

6.11 Remuneration: administrator seeking increase etc.

An administrator who considers the rate or amount of remuneration fixed to be insufficient or the basis fixed to be inappropriate may—

- a. request the creditors to increase the rate or amount or change the basis in accordance with regulations 6.12 to 6.14;
- b. apply to the court for an order increasing the rate or amount or changing the basis in accordance with regulation 6.15.

6.12 Application for increase in remuneration: the general regulation

- (1) This regulation applies to a request by an administrator in accordance with regulation 6.11 for an increase in the rate or amount of remuneration or a change in the basis.
- (2) Subject to the exceptions set out in regulations 6.13 and 6.14, where the basis of the administrator's remuneration has been fixed by the committee an administrator may make such a request to the creditors for approval.

6.13 First exception: administrator has made a statement under section 489

(1)(b)

- (1) This exception applies in an administration where—
  - a. the basis of the administrator's remuneration has been fixed by the committee; and
  - b. the administrator has made a statement under section 489(1)(b).

- (2) A request by the administrator for an increase in the rate or amount of remuneration or a change in the basis shall be approved by—
  - a. the consent of each of the secured creditors; or
  - b. if the administrator has made or intends to make a distribution to preferential creditors—
    - (i) the consent of each of the secured creditors, and
    - (ii) a decision of the preferential creditors.

6.14 Second exception: administrator who had applied for increase etc. under regulation 6.11 becomes liquidator

- (1) This exception applies in a liquidation where—
  - a. an administrator has become the liquidator;
  - b. the remuneration had been determined by the committee in the preceding administration;
  - c. the basis of the liquidator's remuneration is treated as being that which was fixed in the administration; and
  - d. the administrator had subsequently requested an increase under regulation 6.11.
- (2) A request by the liquidator for an increase in the rate or amount of remuneration or a change in the basis may only be made by application to the court.
- (3) Regulation 6.15(6) to (8) apply to such an application.

6.15 Remuneration: recourse by the administrator to the court

- (1) This regulation applies to an application by an administrator to the court in accordance with regulation 6.11 for an increase in the rate or amount of remuneration or change in the basis.
- (2) An administrator may make such an application where the basis of the administrator's remuneration has been fixed—
  - a. by the committee and the administrator has requested that the rate or amount be increased or the basis changed by decision of the creditors, but the creditors have not changed it;
  - b. by decision of the creditors; or
  - c. by the approval of either the secured creditors or the preferential creditors or both in a case where the administrator has made a statement under section 489(1)(b) of the Principal Act.

- (3) Where an application is made under paragraph (2)(c), the administrator shall deliver notice to each of the creditors whose approval was sought under regulation 6.09(4).
- (4) The administrator shall deliver a notice of the application at least fourteen (14) days before the hearing as follows—
  - a. to the members of the committee, or
  - b. if there is no committee to such one or more of the creditors as the court may direct.
- (5) The committee or the creditors may nominate one or more of their number to appear or be represented and to be heard on the application.
- (6) The court may, if it appears to be a proper case, order the costs of the administrator's application, including the costs of any member of the committee appearing or being represented on it, or of any creditor so appearing or being represented on it, to be paid as an expense of the administration.

#### 6.16 Remuneration: review at request of administrator

- (1) Where, after the basis of the administrator's remuneration has been fixed, there is a material and substantial change in the circumstances which were taken into account in fixing it, the administrator may request that the basis be changed.
- (2) The request shall be made—
  - a. to the committee, where the committee fixed the basis;
  - b. to the creditors or a particular class of creditors where the creditors or that class of creditors fixed the basis;
  - c. by application to the court, where the court fixed the basis;
- (3) The preceding provisions which apply to the fixing of the administrator's remuneration apply to a request for a change as appropriate.
- (4) However, the exception in regulation 6.14 which would require such an application to be made to the court in the circumstances there set out does not apply.
- (5) Any change in the basis of remuneration applies from the date of the request under paragraph (2) and not for any earlier period.

#### 6.17 Remuneration: exceeding the fee estimate

- (1) An administrator shall not draw remuneration in excess of the total amount set out in the fees estimate without approval.

- (2) The request for approval shall be made—
  - a. where the committee fixed the basis, to that committee;
  - b. where the creditors or a class of creditors fixed the basis, to the creditors or that class of creditors;
  - c. where the court fixed the basis, to the court; and
  - d. regulations 6.07 to 6.15 apply as appropriate.
- (3) The request for approval shall specify—
  - a. the reasons why the administrator has exceeded, or is likely to exceed, the fees estimate;
  - b. the additional work the administrator has undertaken or proposes to undertake;
  - c. the hourly rate or rates the administrator proposes to charge for each part of that additional work;
  - d. the time that additional work has taken or the administrator expects that work will take;
  - e. whether the administrator anticipates that it will be necessary to seek further approval; and
  - f. the reasons it will be necessary to seek further approval.

#### 6.18 Remuneration: new administrator

- (1) This regulation applies where a new administrator is appointed in place of another.
- (2) Any decision, determination, resolution or court order in effect under the preceding provisions immediately before the former administrator ceased to hold office continues to apply in relation to the remuneration of the new administrator until a further decision, determination, resolution or court order is made in accordance with those provisions.

#### 6.19 Remuneration: apportionment of set fees

- (1) This regulation applies where the basis of the administrator's remuneration is a set amount under regulation 6.07(2)(c) and the administrator ceases (for whatever reason) to hold office before the time has elapsed or the work has been completed in respect of which the amount was set.
- (2) A request or application may be made to determine what portion of the amount should be paid to the former administrator or the former

administrator's personal representative in respect of the time which has actually elapsed or the work which has actually been done.

- (3) The request or application may be made by—
  - a. the former administrator or the former administrator's personal representative within the period of twenty-eight (28) days beginning with the date upon which the former administrator ceased to hold office; or
  - b. the office-holder for the time being in office, if the former administrator or the former administrator's personal representative has not applied by the end of that period.
- (4) The request or application to determine the portion shall be made to the relevant person being—
  - a. the committee, where the committee fixed the basis;
  - b. the creditors or a class of creditors where the creditors or that class fixed the basis;
  - c. the court where the court fixed the basis.
- (5) In an administration where the circumstances set out in regulation 6.07 (4) apply, the relevant person is to be determined under that paragraph.
- (6) The person making the request or application shall deliver a copy of it to the administrator for the time being or to the former administrator or the former administrator's personal representative, as the case may be ("the recipient").
- (7) The recipient may, within twenty-one (21) days of receipt of the copy of the request or application, deliver notice of intent to make representations to the relevant person or to appear or be represented before the court on an application to the court.
- (8) No determination may be made upon the request or application until either—
  - a. the expiry of the twenty-one (21) days, or
  - b. if the recipient delivers a notice of intent, the recipient has been given the opportunity to make representations or to appear or be represented.
- (9) Where the former administrator or the former administrator's personal representative (whether or not the original person making the request or application) considers that the portion so determined is insufficient that person may apply—
  - a. to the creditors for a decision increasing the portion, in the case of a determination by the committee;

- b. to the court, in the case of a decision of the creditors (whether under paragraph (4)(c) or under sub-paragraph (a).
- (10) Paragraphs (6) to (8) apply to an application under paragraph (9) as appropriate.

6.20 Remuneration: variation of the application of regulations 6.16, 6.17 and 6.19

- (1) This regulation applies where the basis of remuneration has been fixed in accordance with regulation 6.09(4) and the administrator or liquidator in a winding up which immediately follows an administration makes a request under regulation 6.16, 6.17 or 6.19.
- (2) A request under 6.16, 6.17 or 6.19, shall be made—
  - a. where there is a committee, to the committee; or
  - b. where there is no committee, to the creditors for a decision.

6.21 Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

- (1) This regulation applies to an application in an administration made by a person mentioned in paragraph (2) on the grounds that—
  - a. the remuneration charged by the administrator is in all the circumstances excessive;
  - b. the basis fixed for the administrator's remuneration under regulations 6.07 and 6.09 is inappropriate; or
  - c. the expenses incurred by the administrator are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in regulation 6.22 or 6.23 as applicable—
  - a. a secured creditor,
  - b. an unsecured creditor with either—
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court.
- (3) The application by a creditor shall be made no later than eight (8) weeks after receipt by the applicant of the progress report under regulation 6.02 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

6.22 Applications under regulations 6.20 and 6.21 where the court has given permission for the application

- (1) This regulation applies to applications made with permission under regulations 6.20 and 6.21.
- (2) Where the court has given permission, it shall fix a venue for the application to be heard.
- (3) The applicant shall, at least fourteen (14) days before the hearing, deliver to the administrator a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it shall make one or more of the following orders—
  - a. an order reducing the amount of remuneration which the administrator is entitled to charge;
  - b. an order reducing any fixed rate or amount;
  - c. an order changing the basis of remuneration;
  - d. an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration;
  - e. an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the administrator or the administrator's personal representative to the company;
  - f. any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

6.23 Applications under regulation 6.20 where the court's permission is not required for the application

- (1) On receipt of an application under regulation 6.20 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.
- (2) Unless the application is dismissed, the court shall fix a venue for it to be heard.

- (3) The applicant shall, at least fourteen (14) days before any hearing, deliver to the administrator a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it shall make one or more of the following orders—
  - a. an order reducing the amount of remuneration which the administrator is entitled to charge;
  - b. an order reducing any fixed rate or amount;
  - c. an order changing the basis of remuneration;
  - d. an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration;
  - e. an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the administrator;
  - f. any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.



## **PART 7**

### **NOTICE OF NETTING EVENT TO THE COMMISSION**

- (1) Netting applies to parties to financial contracts.
- (2) Chapter 28 of the Principal Act should be read alongside the sector specific statutes and regulations of relevant regulatory agencies in the financial industry.
- (3) The Commission should be notified of insolvency proceedings under this part not later than fourteen (14) working days of occurrence of a netting event.
- (4) The Commission shall be notified of any netting event by industry sector-specific regulator.

## PART 8

### 8.00 NOTICE OF APPOINTMENT OF RECEIVER/MANAGER TO THE COMMISSION (sections 206 & 555)

#### **Requirements for registration of appointment of receiver/manager with the Commission.**

- (1) Deed of appointment and notice of appointment.
- (2) In the case of appointment by Court, a copy of notice of appointment as published in the Gazette and in two daily newspapers

### 8.01 Returns/Abstract by Receiver/Manager (sections 559, 560 & 561,)

#### **Requirements**

Abstract by the receiver/manager showing –

- (1) In the case of Receiver/Manager appointed by Court on behalf of holders of debenture of the company secured by floating charge:
  - a. Within two months after receipt, the statement of affairs of the company received from the company and made in accordance with the provisions of section 560 of the Principal Act and the Receiver's comments on the statement, if any.
  - b. Within two months after every twelve-month period of Receiver's appointment and when he ceases to act as Receiver/Manager, abstract showing Receiver's receipts and payments during each period or, where the Receiver ceases to act, between the date of the last abstract and the date of Receiver so ceasing to act, and the aggregate amounts of Receiver receipts and payment during all preceding periods since Receiver's appointment.
- (2) In the case of Receiver/Manager appointed under powers contained in any instrument:
  - a. Within one month after every six-month period of Receiver's appointment and when the Receiver ceases to act as Receiver/Manager, abstract showing the Receiver's receipts and payments during each period or, where the Receiver ceases to act, between the date of the last abstract and the date the Receiver so ceases to act, and the aggregate amounts of the Receiver's receipts and payment during all preceding periods since the Receiver's appointment.

## PART 9

### 9.00 NOTICE OF COMPULSORY WINDING UP TO THE COMMISSION (Ss. 564, 571, 578, 579, 592, 601, 617 & 654)

#### **Requirements for registration of compulsory winding up with the Commission.**

- (1) Special resolution for voluntary winding up where applicable.
- (2) Certified true copy of court order for winding up.
- (3) Publication of notice of appointment of liquidator in the gazette or two (2) daily newspapers.
- (4) Liquidator's notice of his appointment.
- (5) Liquidator's account of receipts and payments to be filed every six (6) months.
- (6) Certified true copy of court order for dissolution of the company.

#### **Notes**

- a. *Special resolution for winding up shall be filed with the Commission within fourteen (14) days after its passing;*
- b. *Notice of appointment of liquidator shall be filed with the Commission within fourteen (14) days of his appointment;*
- c. *The liquidator's account of receipts and payments shall be filed every six (6) months.*
- d. *The order of court for dissolution shall be filed with the Commission within fourteen (14) days after the date of its making;*

## PART 10

### 10.00 NOTICE OF CREDITORS' VOLUNTARY WINDING-UP TO THE COMMISSION (Sections 564, 634 – 641 & 654)

#### **Requirements for registration of creditors voluntary winding up with the Commission.**

- (1) Resolution for voluntary winding up
- (2) Notice of creditors' meeting as published in the Gazette or two (2) daily newspapers
- (3) Appointment of liquidator
- (4) Where there is a difference between the liquidator appointed by the company and that appointed by creditors the person appointed by the creditors shall be the liquidator provided that any director, member or creditor may within seven (7) days apply to the court for an order that the person nominated by the company should be the liquidator either solely or jointly;
- (5) Notice of appointment of liquidator as published in the Gazette or two (2) daily newspapers
- (6) Liquidator's notice of his appointment
- (7) Notices of final meetings of the company and the creditors each as published in the Gazette and at least two (2) daily newspapers circulating in the locality of where the meeting is being called
- (8) Return of final meeting and account of liquidation as laid before and approved by the meeting.

#### **Notes**

- a. *Resolution for winding up shall be filed with the Commission within fourteen (14) days after its passing;*
- b. *Notice of appointment of liquidator shall be filed with the Commission within fourteen (14) days of the appointment;*
- c. *Return of final meeting and account shall be filed with the Commission within seven (7) days after the date of the final meeting;*
- d. *Where winding up continues for more than one year, the liquidator shall –*
  - (a) *summon a general meeting of the company and a meeting of the creditors at the first convenient date within three (3) months from the end of the year or such longer period as the Commission may allow, and*
  - (b) *lay before the meeting account of his acts and dealings and the conduct of the winding up during the preceding year.*

## PART 11

### 11.00 NOTICE OF ARRANGEMENTS AND COMPROMISE TO THE COMMISSION (sections 710 – 717)

#### **Requirements for registration of arrangements and compromise with the Commission.**

- (1) Court ordered meeting of each company at which special resolution for the scheme of arrangement is approved;
- (2) Special resolution of each company in the merger scheme;
- (3) Scheme of merger duly approved by the Securities and Exchange Commission (SEC) or Federal Consumer and Competition Protection Commission (FCCPC), Central Bank of Nigeria (CBN), National Insurance Commission (NAICOM) or National Pension Commission (PENCOM) or any other relevant regulator established by an Act of the National Assembly;
- (4) Certified true copy of Court order sanctioning the scheme of merger (where applicable);
- (5) Evidence of publication of Court order in gazette and at least one (1) newspaper (where applicable)

#### *Notes:*

- a. The special resolutions shall be filed with the Commission within fifteen (15) days of their passing;*
- b. Notice of the court order sanctioning the scheme shall be filed with the Commission within fifteen (15) days of its making.*

## PART 12

### 12.00 DISSOLUTION OF INCORPORATED TRUSTEES UNDER CHAPTER 7, PART F. (Section 850)

- (1) An Incorporated Trustee shall only be dissolved by Order of Court of competent jurisdiction.
- (2) Application for dissolution of an Incorporated trustee shall be by petition brought by –
  - a. the governing council,
  - b. one or more trustees,
  - c. members of the association constituting of more than 50% of the total membership or
  - d. the Commission.
- (3) Petition shall be for any of the grounds listed in Section 850(2) of the Principal Act.
- (4) Notice of dissolution of a trustee shall be filed with the Commission not later than twenty-eight (28) days from the date of the order.
- (5) Notice shall be vide official form in the 3<sup>rd</sup> Schedule to this regulation and shall be accompanied by the court order.
- (6) Publication of court order in a daily newspaper.  
Notice shall specifically identify a similar body to which Assets were transferred and be accompanied with a verifiable evidence of such transfer.

#### 12.01 Other forms of Dissolution

- (1) A legal entity incorporated under the Principal Act could upon conviction under Section 19 (2) of the Money Laundering Act or other Acts of the National Assembly be dissolved.
- (2) Where an order for dissolution of registered entity is made without appointing a liquidator, the Commission, may appoint a liquidator.
- (3) The liquidator shall upon inquiry identify the assets of the registered body, publish the forfeiture in the gazette or one (1) daily newspaper.
- (4) Notice of the forfeiture shall be filed with the Commission not later than twenty-eight (28) days from the date of the order.

#### 12.02 Requirements for Filing

Certified true copy of court order for dissolution of Incorporated Trustee.

## **PART 13**

### **MISCELLANEOUS**

- (8) The powers of a nominee or supervisor should be as agreed to by parties or, in the absence of an Agreement, as contained in Schedule 10 of the Principal Act with such modifications as may be necessary.
- (9) The standard content of proposal for arrangement or administration should be as contained in Schedule 2 of these Regulations provided that where there is a gap, practitioners may be guided by global best practices.
- (10) The form in Schedule 3 should be used in proving debts or claims.
- (11) These Regulations shall come into force on a date approved by the Minister.
- (12) This Regulation shall be cited as Insolvency Regulations 2022.

# **SCHEDULE 1**

## **STANDARD CONTENTS OF INSOLVENCY PRACTITIONERS PROPOSAL**

The Insolvency practitioner proposal should contain the following:

### **1. ASSETS:**

- a. the company's assets, with an estimate of their respective values;
- b. which assets are charged and the extent of the charge;
- c. which assets are to be excluded from the Insolvency Procedure; and
- d. particulars of any property to be included in the Insolvency Procedure which is not owned by the company, including details of who owns such property, and the terms on which it will be available for inclusion;

### **2. INSOLVENCY PRACTITIONER**

- a. identification and contact details for the insolvency practitioner;
- b. confirmation that the Insolvency practitioner is qualified to act as an insolvency practitioner in relation to the company and the name of the relevant recognized professional body which is the source of the Insolvency practitioner's authorization;
- c. how the fees and expenses of the Insolvency practitioner will be determined and paid;
- d. the functions to be performed by the Insolvency practitioner;
- e. where it is proposed that two or more Insolvency practitioners be appointed a statement whether acts done in connection with the Insolvency Procedure may be done by any one or more of them or shall be done by all of them;

### **3. LIABILITIES**

- a. the nature and amount of the company's liabilities;
- b. how the company's liabilities will be met, modified, postponed or otherwise dealt with by means of the Insolvency Procedure and in particular—



- c. how preferential creditors and creditors who are, or claim to be, secured will be dealt with,
- d. how creditors who are connected with the company will be dealt with,
- e. If the company is not in administration or liquidation whether, if the company did go into administration or liquidation, there are circumstances which might give rise to claims under section 657 (preferential payments), section 658(fraudulent preferences), section 659 (transactions at an undervalue).
- f. where there are circumstances that might give rise to such claims, whether, and if so what, provision will be made to indemnify the company in respect of them;

### 1. INSOLVENCY PRACTITIONER FEES AND EXPENSES

The amount proposed to be paid to the Insolvency Practitioner by way of fees and expenses;

### 2. TIMING

- a. the duration should depend on the type of the Insolvency procedure;
- b. the proposed dates of distributions to creditors, with estimates of their amounts.

### 3. GUARANTEES AND PROPOSED GUARANTEES

- a. whether any, and if so what, guarantees have been given in respect of the company's debts, specifying which of the guarantors are persons connected with the company;
- b. whether any, and if so what, guarantees are proposed to be offered for the purposes of the Insolvency procedure and, if so, by whom and whether security is to be given or sought;

### 4. CONDUCT OF THE BUSINESS

How the business of the company will be conducted during the Insolvency procedure;

## 5. FURTHER CREDIT FACILITIES

Details of any further proposed credit facilities for the company, and how the debts so arising are to be paid; such credit facilities should rank above all other debts.

## 6. HANDLING OF FUNDS ARISING

- a. the manner in which funds held for the purposes of the Insolvency procedure are to be banked, invested or otherwise dealt with pending distribution to creditors;
- b. how funds held for the purpose of payment to creditors, and not so paid on the termination of the Insolvency procedure, will be dealt with;
- c. how the claim of secured creditors will be dealt with by the Insolvency procedure by virtue of section 5(2)(b)(ii) or paragraph 37(2)(b)(ii) of Schedule A1 will be dealt with; procedure by virtue of section 5(2)(b)(ii) or paragraph 37(2)(b)(ii) of Schedule A1 will be dealt with;

## 7. OTHER MATTERS

Any other matters that the Insolvency practitioner considers appropriate for decision making

## SCHEDULE 2

### GUIDELINES FOR MEETINGS

#### Convening Meetings

##### **When certain meetings shall be convened:**

Any meetings directed to be convened under these Regulations should be held as soon as reasonably practicable.

##### **Persons to whom notice of meetings is to be given:**

The insolvency practitioner is to give notice in writing to a person of any meeting of the creditors of the debtor company if:

- a. the insolvency practitioner is aware that the person is a creditor of the debtor company; and
- b. the insolvency practitioner is aware of one or more of the following:
  - (i) the address of a place of business of the person;
  - (ii) the address of a place of residence of the person or, in the case of a company, the address of its registered office;
  - (iii) an address to which notices may be sent to the person;
  - (iv) an email address to which notices may be sent to the person;
  - (v) any other method by which notices may be sent to the person.

##### **How notice of meetings is to be given:**

- (1) Notice of a meeting of creditors should -
  - a. specify the date, time and place of the meeting;
  - b. specify the purpose for which the meeting is called;
  - c. state whether the person is entitled to vote as creditor at meetings of creditors; and
  - d. be in the approved form.
- (2) In the absence of evidence to the contrary, a statement in accordance with the approved form by the person convening a meeting (or a person acting on his or her behalf) is sufficient proof of the notice having been sent to a person at the address specified for that person in that notice.

**Time and place of meetings:**

- (1) The insolvency practitioner should convene a meeting of creditors at the time and place that he thinks are most convenient for the majority of persons entitled to receive notice of the meeting.
- (2) Subsection (1) does not prevent a meeting from taking place at separate venues provided that technology is available at the venues to give all persons attending the meeting a reasonable opportunity to participate.

**Notice of electronic facilities for meetings -**

- (1) This section applies if -
  - (a) facilities for participating in meetings by electronic means are expected to be available at the place where a meeting is to be held; and
  - (b) the insolvency practitioner considers that, having regard to all the circumstances, it will be appropriate to use those facilities.
- (2) The notice of the meeting shall -
  - (a) set out the arrangements for using the facilities; and
  - (b) indicate that a person, or the proxy or attorney of a person, who wishes to participate in the meeting using such facilities shall give to the insolvency practitioner, not later than the second-last business day before the day on which the meeting is to be held, a written statement setting out -
    - (i) the name of the person and of the proxy or attorney (if any);
    - (ii) an address to which notices to the person, proxy or attorney may be sent; and
    - (iii) a method by which the person, proxy or attorney may be contacted for purposes of the meeting.

**Notice about voting by proxy and appointment of attorney**

- (1) When a notice of a meeting of creditors is given, the insolvency practitioner should:
  - (a) include with the notice a form for use in appointing a proxy; and
  - (b) ensure that neither the name nor the description of any proxy is printed or inserted in the body of the form before it is sent out; and
  - (c) include in the notice a statement that, if a creditor wishes to be represented at the meeting by an attorney, the creditor can arrange

for the power of attorney to be produced to the insolvency practitioner at or before the meeting.

- (d) give to the creditors a copy of the debtor company's statement of affairs
  - (e) a copy of the report and the opinion formed by the insolvency practitioner relating to the financial health of the company
- (2) If the approved form for a statement of affairs indicates that particular information in the statement will not be made available to the public, then, for the purposes of paragraph (1)(d), the insolvency practitioner is not to give that information to the creditors.
- (3) The form mentioned in paragraph (1) (a) should be in the approved form.

**Quorum for Creditor's Meeting shall be a Majority (in value) of Creditors whose Proof of Claim has been admitted.**

- (1) Votes are calculated according to the amount of each creditor's claim—
  - (i) at the date the company went into liquidation where the company is being wound up,
  - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim and any adjustment by way of set off) where it is in administration,
  - (iii) where (i) and (ii) do not apply, at the date of the meeting;
- (2) But in relation to a proposed Administration, a debt of an unliquidated or unascertained amount is to be valued at one naira for the purposes of voting unless the chair decides to put a higher value on it.
- (3) Where a debt is wholly secured its value for voting purposes is nil.
- (4) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (5) However, the value of the debt for voting purposes is its full value without deduction of the value of the security where the administrator has made a statement under section 489(1)(b) of the Principal Act and the administrator has been requested to seek approval under section 489(3);
- (6) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant).

### **Procedure for admitting Creditors' Claims for Voting**

- (1) The chair in respect of a creditors meeting shall ascertain entitlement to vote and admit or reject claims accordingly.
- (2) The chair may admit or reject a claim in whole or in part.
- (3) If the chair is in any doubt whether a claim should be admitted or rejected, the chair shall mark it as objected to and allow votes to be cast in respect of it, subject to such votes being subsequently declared invalid if the objection to the claim is sustained.
- (4) where a vote is declared invalid or an objection is sustained, a Creditor may apply to the Federal High Court for review within twenty-eight (28) days of the declaration.
- (5) if the IP attaches more value to an unliquidated debt, a party challenging the value attached to the debt shall be allowed to challenge it within twenty-eight (28) days.
- (6) If on an appeal the chair's decision is reversed or varied, or votes are declared invalid, the court may order another meeting to be summoned, or make such order as it thinks just.

The court's power to make an order under this paragraph is exercisable only if it considers that the circumstances giving rise to the appeal are such as to give rise to unfair prejudice or material irregularity.
- (7) The chair is not personally liable for any costs incurred by any person in respect of an appeal under this Regulations.

## SCHEDULE 3

**FEDERAL REPUBLIC OF NIGERIA**  
**COMPANIES AND ALLIED MATTERS ACT NO 3 OF 2020**  
**INCORPORATED TRUSTEES UNDER PART 'F' OF THE ACT**

1. Name of the Association.....
2. Registration Number I/T.....
3. Registered Office Address.....
4. IP Accreditation Number.....
5. Suit No.....FHC/PL.....
6. Parties.....

VS

.....

7. Date of Court Order.....
8. Reasons for dissolution.....
9. Similar body to which the assets were transferred.....

.....

.....

Dated this ..... day of .....202.....

Please attach verifiable evidence of transfer.