

INSOLVENCY REGULATIONS 2022



CHAPTER 1

INTRODUCTION

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

SCOPE

These Regulations apply to the following:

- Receivership under Section 233;
- Companies Voluntary Arrangement under Chapter 17, Part B;
- Administration of Companies under chapter 18, Part B;
- Receivership under Chapter 19, Part B;
- Winding-up under Chapters 20 - 26, Part B;
- Arrangement and Compromise under Chapter 27, Part B;
- Winding up and Dissolution under Chapter 10, Part C;
- Dissolution of Incorporated Trustees under Chapter 7, Part F;

These Regulations shall not apply to Rules of Court relating to Insolvency applications.

REPEAL

These Regulations repeal Clause 24 of the Company Regulation 2021.

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CHAPTER 2

DEFINITION OF TERMS

“Administrator” of a company means a person appointed under any of the means under Chapter 18, Part B of the Act to manage the company’s affairs, business and property;

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

“company” means—

(a) a company registered under this Act or any other special legislation relating to companies; or

(b) any other corporate entity which is recognized under rules or order made by the Minister;

“correspondence” includes correspondence by telephonic or other electronic means;

“creditors’ meeting” has the meaning given under Section 487 of the Act;

“enters administration” has the meaning given to it under subsection (2) (a);

“floating charge” means a charge which is a floating charge on its creation;

“in administration” has the meaning given to under subsection (2) (b) of the principal Act;

“hire-purchase agreement” includes a conditional sale agreement, a chattel leasing agreement and retention of title agreement;

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

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

“purpose of administration” means an objective specified in section 444 of the principal Act; and

“unable to pay its debts” has the meaning given by section 572 of the principal Act.

(2) For the purposes of this Chapter—

(a) a company “enters administration” when the appointment of an administrator takes effect;

(b) a company is “In administration” while the appointment of an Administrator of the company has effect.

Unless the context otherwise requires, other words or expressions contained in this regulations bear the same meaning as in the principal Act.

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CHAPTER 3

ACCREDITATION OF INSOLVENCY PRACTITIONERS

(1) Members of the following professional bodies may apply to the Commission for accreditation as Insolvency Practitioners:

- (a) Business Rescue and Insolvency Practitioners Association of Nigeria;
- (b) Nigerian Bar Association;
- (c) Institute of Chartered Accountants of Nigeria;
- (d) Association of National Accountants of Nigeria; and
- (e) Institute of Chartered Secretaries and Administrators of Nigeria.

(2) Requirements for accreditation shall include the following:

- (a) Duly completed Form CAC-MISC 02;
- (b) Payment of prescribed application 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 years immediately 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 years immediately preceding the date of application and letter of confirmation by the principal or managing Partner of the firm where the applicant is engaged;
- (f) Evidence of eligibility to practice for the current year; and
- (g) Evidence of completion of accredited course of continuous learning administered by the relevant professional body in the preceding year (in the case of renewal accreditation).

(3) Accreditation by the Commission as Insolvency Practitioner shall be renewable every two years and at no cost.

(4) Accreditation may be withdrawn by the Commission where the holder of the accreditation is disqualified from practice by a professional body or in any other case if it appears to the Commission that he is not fit to act as an Insolvency Practitioner.

(5) The Commission may from time to time organize Insolvency Training for the purpose of Accreditation of Insolvency Practitioners or renewal of same.

DISQUALIFICATION FOR APPOINTMENT AS INSOLVENCY PRACTITIONER

The following persons shall not be appointed or act as Insolvency Practitioners of any property or undertaking of any company:

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- (a) an infant;
- (b) any person found by a competent Court to be of unsound mind;
- (c) a body corporate;
- (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; and
- (f) any person convicted of any offence involving fraud, dishonesty, official corruption or moral turpitude or who is disqualified under section 280 of the principal Act.

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CHAPTER 4

COMPANY VOLUNTARY ARRANGEMENTS (Sections 434 - 442)

REQUIREMENTS FOR APPOINTMENT OF NOMINEE/SUPERVISOR

- (a) Notice of intention to appoint a Nominee to supervise the Scheme of Arrangement who must be an Insolvency Practitioner;
- (b) Written consent of the Nominee to the appointment;
- (c) Detailed proposal for a composition of the debts of the Company or a Scheme of Arrangement or Payment Plan;
- (d) The Nominee shall within 28 days of notice submit a report to the Court expressing an opinion whether separate meetings should be summoned to consider the proposal;
- (e) Holding of separate meetings of the Creditors and the Company to consider the proposal;
- (f) Where there is a divergence between the Proposal approved by the Creditors and that of the Company, the Proposal of the Creditors takes precedence over that of the Company, without prejudice to the right of the Members to apply to Court for variation;
- (g) The proposal takes effect on approval at both meetings without modification;
- (h) A return of the meeting shall be filed with the Federal High Court; and
- (i) A copy of the notice of appointment of the Supervisor Shall be filed with the Commission within 14 days.

DOCUMENTS REQUIRED

- (a) Notice of an intention to appoint a Nominee;
- (b) The consent of the Nominee;
- (c) An Indemnity or Bond executed by the Nominee;
- (d) The Proposal for the Composition or Scheme of Arrangement;
- (e) Reports of the separate meetings of the Creditors and the Members;
- (f) The Court Order approving the Report of either of the two meetings where applicable; and
- (g) Notice of Appointment of Nominee should be published in Federal Government Gazette or two National Newspapers.

REPLACEMENT

A Nominee or Supervisor of a Voluntary Arrangement can be replaced with the consent of the Creditors and the Company.

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CESSATION

- (a) Completion;
- (b) Transition to Compulsory Liquidation;
- (c) Breach of the terms of the Voluntary Arrangement.

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CHAPTER 5

ADMINISTRATION OF COMPANIES (Sections 443 – 549)

MODES OF APPOINTMENT OF ADMINISTRATOR

- (a) Appointment of Administrator by Court
- (b) Appointment of Administrator out of Court
 - by Holders of Floating Charge
 - by Company or Directors

PART 1

APPOINTMENT OF ADMINISTRATOR BY THE COURT

CONDITIONS TO BE SATISFIED:

- (a) Company is or likely to become unable to pay its debts; and
- (b) There is no liquidator in office or a pending application for Compulsory Winding Up.

PROCEDURE FOR APPLICATION TO THE COURT

- (a) Application for administration order could be made by the company, its directors, one or more creditors or a designated officer of the Federal High Court or a combination of two or more of the above;
- (b) Application should be accompanied by notice of an intention to appoint administrator and a proposal for administration;
- (c) Service of Notice of administration application on the court that had appointed a receiver or the receiver, secured creditor, holders of floating charge and the Commission;
- (d) Determination of the application by the court; and
- (e) Filing notice of appointment of administrator with the Commission.

DOCUMENTS TO BE FILED WITH THE COMMISSION

- (a) Notice of intention to appoint an Administrator who must be an Insolvency Practitioner;
- (b) Consent of the Administrator;
- (c) Bond or indemnity executed by the Administrator;
- (d) A detailed Proposal for the Administration or Restructuring prepared by the Administrator;
- (e) An expression of opinion by the Administrator that the objective of Administration is likely to be achieved; and
- (f) Administration Order issued by the Federal High Court.

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THE APPOINTMENT

- (a) The appointment takes effect from the date indicated in the Order or on the date the Order is made;
- (b) Notice of Administration Order should be filed with the Commission within 14 days and served on the Company, each creditor and such other persons as may be prescribed by the Court;
- (c) Where the term of office of an Administrator has been extended by Court Order, CTC of the Order should be filed with the Commission not later than 14 days after the date of the Order;
- (d) Where the term of office of an Administrator has been extended by consent, notice of the extension should be filed with the Commission not later than 14 days after the date of the extension;
- (e) Notice of Appointment of Administration should be published in Federal Government Gazette or two National Newspapers;
- (f) Administrator should publish a notice of his appointment in the prescribed manner;
- (g) Administrator should obtain a list of the company's creditors; and
- (h) Administrator should send notice of his appointment to each creditor whose claim and address he is aware of.

REPLACEMENT

An Administrator appointed by the Court can only be replaced with the leave of the Court.

CESSATION

The appointment of an Administrator comes to an end on filing of:

- (a) Notice of Completion of Administration with the Commission;
- (b) Transition from Administration to Liquidation; and
- (c) Discharge Order from the Federal High Court.

PART 2

APPOINTMENT OF COMPANY ADMINISTRATOR BY A HOLDER OF FLOATING CHARGE (Sections 452 -458)

CONDITIONS TO BE SATISFIED

- (a) The charge is enforceable (crystalized);
- (b) There is a clause in the Deed empowering the holder of the floating charge to appoint Administrator or Receiver;
- (c) Evidence of registration of the floating charge with the Commission;
- (d) No other subsisting Administrator in place;
- (e) Voluntary winding up has not commenced;

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- (f) Winding up order has not been issued by the Federal High Court;
- (g) Provisional liquidator has not been appointed;
- (h) The company is not a money deposit bank, an insurance company, capital market operator, pension fund administrator, pension fund custodian or any other company that is party to a qualified financial contract; and
- (i) Where Administration has cross-border element, ex parte leave of the Federal High Court is sought and obtained.

DOCUMENTS REQUIRED

- (a) Notice of appointment of an Administrator who must be an Insolvency Practitioner;
- (b) Consent of the Administrator to the appointment;
- (c) A detailed proposal for Administration or restructuring;
- (d) Expression of opinion by the Administrator that the purpose of administration is likely to be achieved;
- (e) Evidence of at least two working days' Notice to the holder of any prior floating charge and written consent of the prior holder to the appointment;
- (f) Performance Bond or Indemnity;
- (g) Administration Order from the Federal High Court.; and
- (h) Notification of the Administration Order on affected persons.

FILING

Notice of appointment of an Administrator shall be filed within 14 days of appointment accompanied by:

- (a) Certified True Copy of the Administration Order of the Federal High Court;
- (b) Written consent of the Administrator to act as Administrator;
- (c) Written statement by the Administrator that the purpose of Administration is likely to be achieved;
- (d) Written consent of prior holder of floating charge to the appointment where applicable;
- (e) A copy of the performance Bond or Indemnity;
- (f) Statutory declaration by or on behalf of the person who makes the appointment stating:
 - that he is a holder of floating charge in respect of Company's property,
 - that the floating charge has crystallized or has become enforceable on the date of appointment, and
 - that the appointment is in accordance with chapter 17 and the Act generally; and

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- (g) Notice of Appointment of Administration should be published in Federal Government Gazette or two National Newspapers.

EXTENSION

- (a) Where the term of office of an Administrator has been extended by Court Order, CTC of the Order should be filed with the Commission not later than 14 days after the date of the Order.
- (b) Where the term of office of an Administrator has been extended by consent, notice of the extension should be filed with the Commission not later than 14 days after the date of the extension.

REPLACEMENT OF ADMINISTRATOR

Where an Administrator dies, Resigns or is removed or otherwise vacates office, he could be replaced by holders of floating charge by virtue of which the appointment was made.

CESSATION

- Completion;
- Transition; and
- Court Order.

PART 3

APPOINTMENT OF ADMINISTRATOR BY A COMPANY OR DIRECTORS OUT OF COURT (Sections 464, 469)

CONDITIONS TO BE SATISFIED

Notice of Intention to Appoint Company administrator identifying a particular administrator who must be an Insolvency practitioner, on ensuring that:

- (a) There is no pending petition for winding;
- (b) There is no pending application for appointment of Administrator;
- (c) There is no holder of floating charge that could appoint an Administrator;
- (d) There is no Supervisor of Company Voluntary Arrangement or Receiver in office;
- (e) The company is not a deposit money Bank, Insurance Company, a pension fund administrator, custodian or otherwise a company that is a party to financial contract;
- (f) Administrator cannot be appointed within 12 months of expiration of another Administration or after the end of a Moratorium; and

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- (g) Where Administration has cross-border element, ex parte leave of the Federal High Court is required before notice of an intention to appoint Administrator.

DOCUMENTS REQUIRED

- (a) Company or Board resolution as may be applicable;
- (b) Notice of an Intention to appoint an administrator;
- (c) Written consent of the administrator to the appointment;
- (d) Detailed proposal for administration or restructuring prepared by the administrator;
- (e) Expression of an opinion by the administrator that the objective of the administration is likely to be achieved; and
- (f) Statutory Declaration by or on behalf of the company stating that:
 - i. the company is or is likely to become unable to pay its debts,
 - ii. the company is not in liquidation, and
 - iii. the appointment is not prevented by Ss. 453 and 454 of the Act.

NOTES:

- (a) *Administration Order Under S 451 of the Act shall be notified to affected persons vide post personal delivery, hand delivered mail or email.*
- (b) *Every business documents and all the company's websites shall state the name of the Administrator and the fact that the affairs, business and property of the company are being managed by the Administrator.*

FILING

- (a) File the notice of intention to appoint with the Commission within 14 days, accompanied by the documents mentioned in (2) above;
- (b) File a copy of the notice filed with the Commission with the Federal High Court;
- (c) Where a Court Order has been issued for the disposal of any of the Company's assets or Property in the possession of the Company a copy of the Order should be filed with the Commission;
- (d) Where the term of office of an Administrator has been extended by Court Order, CTC of the Order should be filed with the Commission not later than 14 days after the date of the Order;
- (e) Where the term of office of an Administrator has been extended by consent, notice of the extension should be filed with the Commission not later than 14 days after the date of the extension; and
- (f) Notice of Appointment of Administrator should be published in Federal Government Gazette or two National Newspapers.

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REPLACEMENT

Where an Administrator dies, Resigns or is removed or otherwise vacates office, he could be replaced by the company or its directors (whichever is applicable) with the consent of each person who is a holder of floating charge which empowers him to appoint an Administrator, provided that where consent is unreasonably withheld, the Court can permit such replacement.

CESSATION

- Completion;
- Transition; and
- Court Order.

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CHAPTER 6

NETTING

- (a) Netting applies to parties to financial contracts.
- (b) Chapter 28 of the principal Act should be read alongside the principal Act and Regulations of Sector-specific Regulators in the industry.

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CHAPTER 7

NOTICE OF APPOINTMENT OF RECEIVER/MANAGER (Sections. 206 & 555)

REQUIREMENTS

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

RETURNS/ABSTRACT BY RECEIVER/MANAGER (Ss. 559, 560 & 561)

REQUIREMENTS

Abstract by the receiver/manager showing –

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

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CHAPTER 8

PART 1

WINDING-UP BY COURT

(Sections. 564, 571, 578, 579, 592, 601, 617 & 654)

REQUIREMENTS

- (a) Special resolution for voluntary winding up where applicable;
- (b) Certified true copy of Court Order for winding up;
- (c) Publication of notice of appointment of liquidator in the Gazette or two daily national newspapers;
- (d) Liquidator's notice of his appointment;
- (e) Liquidator's account of receipts and payments to be filed every six months; and
- (f) Certified True Copy of Court Order for dissolution of company.

NOTES:

- (a) *Special resolution for winding up shall be filed with the Commission within 14 days after its passing;*
- (b) *Notice of appointment of liquidator must be filed with the Commission within 14 days of his appointment;*
- (c) *The liquidator's account of receipts and payments shall be verified by a statutory declaration;*
- (d) *The Order of Court for dissolution must be filed with the Commission within 14 days after the date of its making;*

PART 2

CREDITORS' VOLUNTARY WINDING-UP

(Sections 564, 634 – 641 & 654)

REQUIREMENTS

- (a) Resolution for voluntary winding up;
- (b) Notice of creditors' meeting as published in the Gazette and two daily national newspapers;
- (c) Appointment of liquidator;

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- (d) 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 liquidator provided that any director, member or creditor may within 7 days apply to the court for an order that the person nominated by the company should be the liquidator either solely or jointly;
- (e) Notice of appointment of liquidator as published in the Gazette or two daily national newspapers;
- (f) Liquidator's notice of his appointment;
- (g) Notices of final meetings of the company and the creditors each as published in the Gazette and at least two daily national newspapers circulating in the locality of where the meeting is being called; and
- (h) 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 14 days after its passing;*
- (b) *Notice of appointment of liquidator shall be filed with the Commission within 14 days of the appointment;*
- (c) *Return of final meeting and account shall be filed with the Commission within seven days after the date of the final meeting;*
- (d) *Where winding up continues for more than one year, the liquidator shall*
 - - (i) *summon a general meeting of the company and a meeting of the creditors at the first convenient date within three months from the end of the year or such longer period as the Commission may allow, and*
 - (ii) *lay before the meeting account of his acts and dealings and the conduct of the winding up during the preceding year.*

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CHAPTER 9

SCHEME OF ARRANGEMENT AND COMPROMISE

REQUIREMENTS

- a) Court ordered meeting of each company at which special resolution for the scheme of arrangement is approved;
- b) Special resolution of each company in the merger scheme;
- c) Scheme of merger arrangement duly approved by the Securities and Exchange Commission (SEC) OR Federal Consumer and Competition Protection Commission (FCCPC);
- d) CTC of Court order sanctioning the scheme of merger;
- e) Evidence of publication of Court order in Gazette and at least 1 newspaper (where applicable).

NOTES:

- (a) *The special resolution shall be filed with the Commission within 15 days of their passing;*
- (b) *Notice of the Court Order sanctioning the scheme shall be filed with the Commission within 15 days of its making.*

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CHAPTER 10

MISCELLANEOUS

- (a) *The powers of a nominee or supervisor should be as agreed 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.*
- (b) *The standard content of a 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.*
- (c) *The form in Schedule 3 should be used in proving debts or claims.*
- (d) *A re-organization plan should contain **standard content** in the model re-organization plan in Schedule 4 of this Regulation modified to meet specific requirements of each type of arrangement or administration.*
- (e) *The Nominee or Administrator shall furnish the creditor with any information on the implementation of the process within one week from the date request is received.*

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SCHEDULE 1

STANDARD CONTENTS OF INSOLVENCY PRACTITIONER'S PROPOSAL

The Insolvency Practitioner's proposal should contain the following:

PARTICULARS OF THE COMPANY AND INSOLVENCY PRACTITIONER

- (a) Company name;
- (b) Registration number;
- (c) Registered office address;
- (d) Insolvency practitioner's name;
- (e) Accreditation number; and
- (f) Mobile phone number and e-mail address.

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.

INSOLVENCY PRACTITIONER

- (a) fees and expenses of the Insolvency practitioner;
- (b) functions to be performed by the Insolvency practitioner; and
- (c) 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 must be done by all of them

LIABILITIES

- (a) 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—
 - (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 657

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- (preferential payments), section 658 (fraudulent preferences), section 659 (transactions at an undervalue),
- (iv) 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.

DURATION/TIMING

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

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.

CONDUCT OF THE BUSINESS

How the business of the company will be conducted during the Insolvency procedure clearly specifying which contracts are for essential goods and services and the priority accorded to debts arising from such contracts incurred during the procedure.

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.

HANDLING OF FUNDS

- (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; and
- (c) how the claim of secured creditors will be dealt with by the Insolvency procedure by virtue of sections 437(3), 510(1) and 657(6) of the Act will be dealt with.

OTHER MATTERS

Any other matter that the Insolvency Practitioner considers appropriate for decision making.

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SCHEDULE 2

GUIDELINES FOR MEETINGS

CONVENING MEETINGS

WHEN CERTAIN MEETINGS MUST BE CONVENED

- (a) Any meeting directed to be convened under the Act should be held as soon as reasonably practicable.
- (b) Paragraph (a) does not apply if, under the Act or these Regulations, it is not reasonable for the Insolvency Practitioner to comply with the direction to convene the meeting.

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; and
 - (v) any other method by which notices may be sent to the person.

HOW NOTICE OF MEETINGS IS TO BE GIVEN

- (a) Notice of a meeting of creditors should:
 - (i) specify the date, time and place of the meeting; and
 - (ii) specify the purpose for which the meeting is called; and
 - (iii) state whether the person is entitled to vote as creditor at meetings of creditors;
 - (iv) be in the approved form; and
- (b) 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 FOR GIVING NOTICE OF MEETINGS

The Insolvency Practitioner should give notice of a meeting of creditors not less than three working days before the day of the meeting.

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TIME AND PLACE OF MEETINGS

- (a) 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.
- (b) Paragraph (a) 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

- (a) This section applies if:
 - (i) facilities for participating in meetings by electronic means are expected to be available at the place where a meeting is to be held; and
 - (ii) the Insolvency Practitioner considers that, having regard to all the circumstances, it will be appropriate to use those facilities.
- (b) The notice of the meeting must:
 - (i) set out the arrangements for using the facilities; and
 - (ii) indicate that a person, or the proxy or attorney of a person, who wishes to participate in the meeting using such facilities must 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:
 - the name of the person and of the proxy or attorney (if any);
 - an address to which notices to the person, proxy or attorney may be sent; and
 - 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

- (a) When a notice of a meeting of creditors is given, the insolvency practitioner should:
 - (i) include with the notice a form for use in appointing a proxy,
 - (ii) 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,
 - (iii) 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,
 - (iv) give the to the creditors a copy of the debtor company's statement of affairs, and

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- (v) a copy of the report and the opinion formed by the Insolvency Practitioner relating to the financial health of the company;
- (b) 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 (a)(iv), the Insolvency Practitioner is not to give that information to the creditors; and
- (c) The form mentioned in paragraph (a) (i) should be in the approved form.

ENTITLEMENT TO VOTE (CREDITORS)

- (a) Subject as follows, every creditor who has notice of the creditors' meeting is entitled to vote at the meeting or any adjournment of it.
- (b) Votes are calculated according to the amount of the creditor's debt as at the beginning of the procedure, after deducting any amounts paid in respect of that debt after that date.
- (c) A creditor may vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained and for the purposes of voting, but not otherwise.

PROCEDURE FOR ADMISSION OF CREDITORS' CLAIMS FOR VOTING PURPOSES

- (a) Subject as follows, at any creditors' meeting the chairman shall ascertain the entitlement of persons wishing to vote and shall admit or reject their claims accordingly.
- (b) The chairman may admit or reject a claim in whole or in part.
- (c) The chairman's decision on any matter under these Regulations is subject to appeal to the Court by any creditor or member of the company.
- (d) If the chairman is in doubt whether a claim should be admitted or rejected, he 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.
- (e) If on an appeal the chairman'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.
- (f) 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 give rise to unfair prejudice or material irregularity.
- (g) An application to the Court for review of Chairman's decision shall be made within 28 days from the date of the decision.
- (h) The chairman is not personally liable for any costs incurred by any person in respect of an appeal under this Regulations.

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SCHEDULE 3

PROOF OF DEBT: GENERAL FORM

In the Matter of _____ In Administration
Date of Administration _____

| | | |
|-----|---|--|
| 1. | Name of Creditor (If a company please also give company registration number) | |
| 2. | Address of Creditor | |
| 3. | Email address | |
| 4. | Total amount of claim, including any VAT and outstanding uncapitalized interest as at the date company went into Administration | |
| 5. | Details of any document by reference to which the debt can be substantiated ¹ | |
| 6. | If the total amount shown above includes VAT, please show – (a)Amount of VAT (b)Amount NET of VAT | |
| 7. | If total amount above includes outstanding uncapitalized interest, please state amount | |
| 8. | If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b) | |
| 9. | Particulars of how and when deb was incurred | |
| 10. | Particulars of security held, | |

¹ The Administrator may, in the exercise of his discretion, call for any document or evidence to substantiate the claim

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| | | |
|-----|---|--|
| | the value of the security, and the date it was given | |
| 11. | Signature of creditor or person authorised to act on his behalf | |
| 12. | Name in BLOCK LETTERS | |
| 13. | Position with or relation to creditor | |

EXPOSURE DRAFT

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SCHEDULE 4

CONTENT OF A MODEL REORGANISATION PLAN

1. STATUTORY INFORMATION RELATING TO THE COMPANY

- (a) The Company's registered number
- (b) The registered address and head office address (if different)
- (c) The directors and managers and dates of their appointment
- (d) The Suit number

2. BACKGROUND TO THE REORGANISATION PROCEEDINGS

- (a) A brief description of the business of the Company and its ownership
- (b) The background and circumstances leading up to the proceeding

3. FINANCIAL POSITION OF THE COMPANY

- (a) A summary of the Statement of Affairs at the commencement of the Proceedings that is attached to the proposal
- (b) Annual financial statements for the preceding five years
- (c) Financial projections for the next five years
- (d) Any observations and comments in relation to the Statement of Affairs

4. RECEIPTS AND PAYMENTS FROM THE EFFECTIVE DATE OF THE REORGANISATION PLAN

A summary of any receipts and payments to be expected from the effective date of the reorganisation plan should be attached to the plan

5. REORGANISATION STRATEGY AND PROPOSALS

- (a) Details of the manner in which the affairs and business of the Company have been managed and financed
- (b) The reasons for any disposals of assets and the terms upon which such disposals will be made
- (c) The options available to the creditors
- (d) The details of the proposals to the creditors concerning the manner, extent and timing in which their claims are to be settled
- (e) The fact that reorganisation process will produce a greater return to creditors than the liquidation, with an estimate of the outcome from liquidation
- (f) Description of the procedure for sale of any assets to be sold
- (g) The manner in which the Company's business will be managed and financed if the reorganisation plan is approved
- (h) A statement of experts to be hired and their remuneration (if applicable)
- (i) Proposal regarding the remuneration of the Insolvency Practitioner and the manner of notifying the creditors

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- (j) Proposal for the appointment of an administrator or a Creditors' Committee to oversee the reorganisation plan and the powers of the administrator/the Committee, if envisaged under the plan
- (k) Proposed description of duties of the administrator in monitoring the implementation of the reorganisation plan, the amount of remuneration of the administrator for such monitoring duties, as well as the source from which the remuneration is to be paid
- (l) The date of effectiveness of the plan

6. ESTIMATED OUTCOME FOR CREDITORS

- (a) An estimate of the outcome of the reorganisation plan should be attached
- (b) The details of the proposal to the creditors as to how their debts should be paid and in what proportions
- (c) The estimated value of the assets available to secured creditors