

## CHAPTER 7 Distribution

### Costs, etc. in winding up

617. (1) All costs, charges and expenses properly incurred in the winding up of a company, including the remuneration of the liquidator, remaining after payment of—

(a) the fees and expenses properly incurred in preserving, realising or getting in the assets, and

(b) where the company has previously commenced to be wound up voluntarily, such remuneration, costs and expenses as the court may allow to a liquidator appointed in such voluntary winding up,

shall be payable out of the property of the company in priority to all other claims, and shall be paid or discharged in the order of priority set out in subsection (2).

(2) The costs, charges and expenses referred to in subsection (1) shall, subject to any order made by the court in a winding up by it, be liable to the following payments which shall be made in the following order of priority, namely:

(a) First — In the case of a winding up by the court, the costs of the petition, including the costs of any person appearing on the petition whose costs are allowed by the court;

(b) Next — Any costs and expenses necessarily incurred in connection with the summoning, advertisement and holding of a creditors' meeting under section 587;

(c) Next — The costs and expenses necessarily incurred in and about the preparation and making of, or concurring in the making of, the statement of the company's affairs and the accompanying list of creditors and the amounts due to them as required by section 587 (7);

(d) Next — The necessary disbursements of the liquidator, other than expenses properly incurred in preserving, realising or getting in the assets as provided for in subsection (1);

(e) Next — The costs payable to the solicitor for the liquidator;

(f) Next — The remuneration of the liquidator;

(g) Next — The out-of-pocket expenses necessarily incurred by the committee of inspection (if any).

(3) Subsection (4) applies in relation to a person who has provided funds to discharge any such costs, charges or expenses (other than costs or expenses referred to in subsection (2)(b) or (c)) as are referred to in subsection (1).

(4) Such person shall be entitled to be reimbursed to the extent of the funds so provided by him or her

in the same order of priority as to payment out of the property of the company as would otherwise have applied to the costs, charges or expenses concerned.