

Dividends in a Winding Up by the Court

142. Dividends to creditors

- (1) Not more than 4 months before declaring a dividend the liquidator in a winding up by the court shall, by publication in the Gazette, give notice of his intention to do so, and shall at the same time give notice to such of the creditors mentioned in the statement of affairs or a supplementary affidavit in relation to that statement as have not proved their debts. Such notice shall specify the latest date up to which proofs must be lodged, which shall not be less than 14 days from the date of such notice. *(See Forms 67, 70 & 103(4)) (L.N. 286 of 1997; 14 of 2016 s. 158)*
- (2) Where any creditor, after the date mentioned in the notice of intention to declare a dividend as the latest date up to which proofs may be lodged, appeals against the decision of the liquidator rejecting a proof, notice of appeal shall, subject to the power of the court to extend the time in special cases, be given within 7 days from the date of the notice of the decision against which the appeal is made, and the liquidator may in such case make provision for the dividend upon such proof, and the probable costs of such appeal in the event of the proof being admitted. Where no notice of appeal has been given within the time specified in this rule, the liquidator shall exclude all proofs which have been rejected from participation in the dividend.
- (3) Immediately after the expiration of the time fixed by this rule for appealing against the decision of the liquidator he shall proceed to declare a dividend, and shall, by publication in the Gazette, give notice of such dividend, and shall also send a notice of dividend to each creditor whose proof has been admitted. *(See Forms 71 & 103(5)) (L.N. 286 of 1997)*
- (4) If it becomes necessary, in the opinion of the liquidator and the committee of inspection, to postpone the declaration of the dividend beyond the limit of 4 months, the liquidator shall, by publication in the Gazette, give a fresh notice of his intention to declare a dividend; but it shall not be necessary for the liquidator to give a fresh notice to such of the creditors mentioned in the statement of affairs or a supplementary affidavit in relation to that statement as have not proved their debts. In all other respects the same procedure shall follow the fresh notice as would have followed the original notice. *(L.N. 286 of 1997; 14 of 2016 s. 158)*
- (5) Upon the declaration of a dividend the liquidator shall forthwith transmit to the Official Receiver a list of the proofs filed with the Registrar under rule 101, which list shall be in the Form 68 or 69, as the case may be, and the liquidator shall, if so required by the Official Receiver, transmit to him, office copies of all lists of proofs filed by him up to the date of the declaration of the dividend. *(See Forms 68 & 69)*
- (6) Dividends may at the request and risk of the person to whom they are payable be transmitted to him by post.
- (7) If a person to whom dividends are payable desires that they shall be paid to some other person he may lodge with the liquidator a document in the Form 72 which shall be a sufficient authority for payment of the dividend to the person therein named. *(See Form 72)*
- (8) The Official Receiver when he is liquidator shall cause to be gazetted notice of his intention to declare a dividend and notice of his declaration thereof, and shall also at the same time give to creditors notice of such intention or of such declaration in like manner as notice thereof is required to be given by a liquidator other than the Official Receiver.