

161. Liability for costs, expenses and damages

- (1) Subject to subrules (2) and (3), where proceedings are taken against the Official Receiver in respect of anything done or default made by him when acting, or in the bona fide or reasonable belief that he is acting, in pursuance of the Ordinance or in execution of the powers given to the Official Receiver by the Ordinance, the costs, damages and expenses which the Official Receiver may have to pay, or to which he may be put under such proceedings, shall be paid out of the estate of the debtor and not personally. (*L.N. 150 of 2014*)
- (2) Where such proceedings are commenced before the appointment of a trustee or before a debtor's proposal is approved by a meeting summoned under section 20E of the Ordinance, the Official Receiver may, before putting the trustee, or the nominee of an approved proposal, in possession of the debtor's property, retain the whole or some part of the debtor's estate to meet any costs, expenses or damages which he may incur in consequence of the proceedings. (*L.N. 77 of 1998; L.N. 123 of 2007*)
- (3) Where such proceedings are commenced after the appointment of a trustee, or after the approval of such a proposal, the Official Receiver shall forthwith give notice of such proceedings to the trustee or the nominee and as from the date of the notice the estate shall be charged with the payment of the said costs, expenses and damages. (*L.N. 77 of 1998*)

(*L.N. 39 of 1976*)