BELIZE:

INSOLVENCY AND BANKRUPTCY ACT, 2025

ARRANGEMENT OF SECTIONS

PART I

Preliminary

1. Short title.
2. Interpretation.
3. Meaning of "company".
4. Meaning of "subsidiary" and "holding company".
5. Meaning of "connected person" and "related company".
6. Limitations to the meaning of "director".
7. Meaning of "unlicensed financial services business".
8. Meaning of "insolvent".
9. Meaning of "creditor", "secured creditor" etc.
10. Meaning of "liability".
11. Admissible claims.
12. Non-admissible claims.
13. Meaning of "public document".

PART II

Creditors' Arrangements

Sub-Part 1

Interpretation

14. Interpretation and scope of this Part.

15. Arrangements.

16. Remuneration of supervisor and interim supervisor.

17. Fixing of remuneration by High Court.

18. Commission's rights in respect of a regulated entity.

Sub-Part 2

Company Creditors' Arrangement

19. Interpretation and scope of this Sub-Part.

20. Proposal for an arrangement by board.

21. Appointment of interim supervisor by board.

22. Appointment of interim supervisor, company in administration or liquidation.

23. Administrator or liquidator acting as interim supervisor.

24. Notification of appointment of interim supervisor.

25. Functions of interim supervisor and power to obtain information.

26. Amendment of proposal before creditors' meeting.

27. Calling creditors' meeting.

28. Interim supervisor may require certain persons to attend creditors' meeting.

29. Attendance of members and directors at creditors' meeting.

30. Business to be conducted at creditors' meeting.

31. Amendment or withdrawal of proposal at creditors' meeting.

32. Report on outcome of creditors' meeting.

33. Notification of appointment of supervisor.

34. Effect of approval of proposal.

35. Supervisor to be given possession of assets included in arrangement.

36. Supervisor's duty to keep accounting records.

37. Supervisor to prepare and send out regular accounts and reports.

38. Completion or premature termination of arrangement.

39. Supervisor may propose modification of arrangement.

40. Modification of arrangement.

41. Appointment of interim supervisor or supervisor by High Court.

42. Application where arrangement approved or modified.

43. Application on grounds of unfair prejudice.

44. Application to High Court by former supervisor or interim supervisor.

45. False representations etc.

Sub-Part 3

Individual Creditors' Arrangement

46. Interpretation and scope of this Sub-Part.

47. Proposal.

48. Notification of appointment of interim supervisor.

49. Functions of interim supervisor and power to obtain information.

50. Amendment of proposal after appointment of interim supervisor.

51. Application for moratorium order.

52. High Court may grant stay.

53. Moratorium order.

54. Duty of interim supervisor to report certain matters to the High Court.

55. Effect of moratorium order.

56. Interim supervisor's report on debtor's proposal.

57. Extension of moratorium.

58. Calling creditors' meeting.

59. Decisions of creditors' meetings.

60. Amendment or withdrawal of proposal at creditors' meeting.

61. Report of decisions to High Court.

62. Effect of approval.

63. Supervisor to be given possession of assets included in arrangement.

64. Supervisor's duty to keep accounting records.

65. Supervisor to prepare and send out regular accounts and reports.

66. Completion or premature termination of arrangement.

67. Supervisor may propose modification of arrangement.

68. Modification of arrangement.

69. Appointment of interim supervisor or supervisor.

70. Application in respect of moratorium.

71. Application where arrangement approved or modified.

72. Application on grounds of unfair prejudice.

73. Register of arrangements.

74. False representations etc.

PART III

Administration

75. Interpretation and scope of this Part.

76. Meaning of administration order.

77. High Court may make an administration order.

78. Powers of High Court on hearing of application for administration order.

79. Application where company in liquidation.

80. Effect of administration order.

81. Notification and advertisement of administration order.

82. Moratorium period.

83. Effect of moratorium.

84. Preservation of charged and other assets.

85. Disposal of perishable assets during moratorium period.

86. General duties of administrator.

87. Duty to prepare report.

88. Duty to report to Commission.

89. General powers of administrator.

90. Power to deal with assets subject to floating charge.

91. Application to Court to deal with other charged assets.

92. Administrator as agent of company.

93. Removal and resignation of administrator.

94. Appointment of replacement administrator.

95. Remuneration of administrator.

96. Administrator to have charge over assets of company.

97. Release of administrator.

98. Statement of affairs.

99. Administrator's proposals and creditors meeting.

100. Attendance at meeting of directors and others.

101. Consideration of proposals by creditors.

102. Amendment of proposals at creditors' meeting.

103. Modification of proposals.

104. Commission's rights where company a regulated entity.

105. Administrator's duty to keep accounting records.

106. Administrator to prepare and send out regular accounts and reports.

107. Notification.

108. Meetings of creditors.

109. Discharge or variation of administration order.

110. Appointment of liquidator or dissolution of company on discharge of administration order.

111. Filing copy of discharge order with Registrar.

112. Application in respect of moratorium period.

113. Application on grounds of unfair prejudice.

PART IV

Receivership

114. Interpretation and scope of this Part.

115. Persons not to be appointed or act as receiver.

116. Appointment of joint receivers.

117. Notice of appointment.

118. Notification of receivership.

119. Vacation of office.

120. Assistance to be provided by receiver vacating office.

121. Resignation of receiver.

122. Removal of receiver.

123. Co-operation with receiver.

124. Duty to report to Commission.

125. Agency.

126. Powers of receiver, other than administrative receiver.

127. General duties of receivers.

128. Powers of sale and proceeds of sale.

129. Liabilities of receivers.

130. Payment of debts out of assets subject to a floating charge.

131. High Court directions.

132. Further provisions with respect to an order under section 131.

133. Remuneration of receivers.

134. Accounting records.

135. Receivership accounts to be filed with Registrar.

136. Enforcement of duty to make returns.

137. Completion of receivership.

138. Appointment of receiver out of court.

139. Execution of documents.

140. Invalid appointment.

141. Meaning of "administrative receiver".

142. Appointment of administrative receiver by High Court.

143. Powers of administrative receiver.

144. Power to dispose of charged assets.

145. Statement of affairs.

146. Report by administrative receiver.

147. Application for permission not to call meeting of creditors.

PART V

Provisions applicable to the liquidation of Companies and to the bankruptcy of Individuals

148. Interpretation of this Part.

149. Insolvency set-off.

150. Validity of agreement to subordinate debt.

151. Quantification of claims in liquidation and bankruptcy.

152. Interest on claims.

153. Claim in currency other than Belize dollars.

154. Statutory demand.

155. Application to set aside statutory demand.

156. Hearing to set aside statutory demand.

PART VI

Liquidation

157. Application of this Part to Official Receiver.

158. Appointment of liquidator.

159. Duration of liquidation.

160. Appointment of liquidator by members.

161. Appointment of liquidator by High Court.

162. Appointment of liquidator of a foreign company.

163. Withdrawal of application.

164. Advertisement of application.

165. Substitution of applicant.

166. High Court's power on hearing of an application.

167. Period within which application shall be determined.

168. Expenses of an arrangement.

169. Appointment of provisional liquidator.

170. Rights and powers of provisional liquidator.

171. Remuneration of provisional liquidator.

172. Termination of appointment of provisional liquidator.

173. Power to stay or restrain proceedings etc.

174. Effect of liquidation.

175. Restriction on execution or attachment.

176. Duties of officer in execution of process.

177. Notice of appointment of liquidator.

178. Liquidator to call first meeting of creditors.

179. Application to High Court by members.

180. Application of sections 177 and 178.

181. Restrictions on powers of liquidator appointed by members.

182. High Court appointed liquidator may dispense with creditors' meeting.

183. Status of liquidator.

184. General duties of liquidator.

185. General powers of liquidator.

186. Removal of liquidator.

187. Resignation of liquidator.

188. Appointment of replacement liquidator.

189. Remuneration of liquidator.

190. Notification of liquidation.

191. Vesting of assets in liquidator.

192. Settlement of list of members.

193. Rectification of register of members.

194. Liability of members limited.

195. Liability of past members.

196. Dividends payable to member.

197. Liability where limited company becomes unlimited company.

198. Liability where unlimited company becomes limited company.

199. Liability of personal representative.

200. Effect of member or past member becoming bankrupt.

201. Status of personal representative or trustee in bankruptcy.

202. Insurance and other contracts not affected.

203. Power of liquidator to enforce liability of member or past member.

204. Summary remedy against members and past members.

205. Order under section 204 to be conclusive evidence.

206. Distribution of assets of company.

207. Claims having priority over floating charges.

208. Claims by unsecured creditors.

209. Variation, withdrawal and expunging of claims.

210. Claims by secured creditors.

211. Redemption of security interest by liquidator.

212. Realisation of security interest by secured creditor.

213. Surrender for non-disclosure.

214. Interest after commencement of liquidation.

215. Power to exclude creditors not claiming in time.

216. Liquidator may disclaim onerous property.

217. When disclaimer takes effect.

218. Notice to liquidator to elect whether to disclaim.

219. Effect of disclaimer.

220. Vesting orders and orders for delivery.

221. Vesting orders in respect of leases.

222. Land subject to rent charge.

223. Disclaimer presumed valid.

224. Statement of affairs.

225. Preliminary report.

226. Duty of Official Receiver concerning report under section 225.

227. Liquidator to call meetings of creditors.

228. Rescission of contracts by the High Court.

229. Inspection of books by creditors.

230. Enforcement of liquidator's duties.

231. Termination of liquidation.

232. Order terminating liquidation.

233. Completion of liquidation.

234. Release of liquidator.

235. Dissolution.

PART VII

Voidable Transactions

236. Interpretation of this Part.

237. Unfair preferences.

238. Undervalue transactions.

239. Voidable floating charges.

240. Extortionate credit transactions.

241. Orders in respect of voidable transactions.

242. Limitations on orders under section 241.

243. Recoveries.

244. Remedies not exclusive.

PART VIII

Malpractice

245. Interpretation of this Part.

246. Summary remedy against delinquent officers and others.

247. Fraudulent trading.

248. Insolvent trading.

249. Recoveries under sections 247 and 248.

250. Ancillary orders.

PART IX

Disqualification Orders and Undertakings

251. Interpretation of this Part.

252. Disqualification orders and undertakings.

253. Application for disqualification order.

254. Hearing of application for disqualification order.

255. Matters for determining unfitness of directors.

256. Disqualification undertaking.

257. General provisions concerning disqualification orders and undertakings.

258. Variation of disqualification order or undertaking.

259. Offence provision.

260. Liability for engaging in prohibited activity.

261. Official Receiver to appear on certain applications.

262. Register of disqualification orders.

263. Duties of office holders.

PART X

General Provisions with regard to Companies that Are Insolvent or in Liquidation

Sub-Part 1

General

264. Interpretation of this Part.

265. Application to High Court concerning office holder.

266. Order to deliver assets and documents.

Sub-Part 2

Statement of Affairs

267. Interpretation of this Sub-Part.

268. Notice to be given by office holder.

269. Statement of affairs.

270. Affidavit of concurrence.

271. Release from duty to submit statement of affairs.

272. Application for order of limited disclosure.

Sub-Part 3

Investigation of Insolvent Company's Affairs

273. Interpretation of this Sub-Part.

274. Power to obtain information.

275. Examination by office holder.

276. Application for examination before High Court.

277. Order for examination.

278. Conduct of examination.

279. Incriminating answers and admissibility of record.

280. Offence.

281. Fraudulent conduct.

PART XI

Simplified Restructuring of Debts

Sub-Part 1

Preliminary

282. Interpretation of this Part.

Sub-Part 2

Simplified debt restructuring programme

283. Establishment of simplified debt restructuring programme.

284. Appointment of qualified persons and Restructuring Advisors.

Sub-Part 3

Application for and acceptance into simplified debt restructuring programme

285. Application by company.

286. Requirements for acceptance into simplified debt restructuring programme.

287. Notices of application and objection, etc.

288. Direction by Commission.

289. Deposit payable by applicant company.

290. Publication of notice of acceptance or rejection, etc.

Sub-Part 4

Effect of acceptance into simplified debt restructuring programme

291. Restraint of proceedings and disposition of property, etc., during specified period.

Sub-Part 5

Compromise or arrangement with creditors or class of creditors

292. Duties of Restructuring Advisor.

293. Power of High Court to approve compromise or arrangement without meeting of creditors.

294. Authorised officer may act on behalf of company in application and proceedings under section 293.

295. Orders pending appeal.

Sub-Part 6

Discharge from simplified debt restructuring programme

296. Discharge from simplified debt restructuring programme.

297. Power to prescribe further modifications and amendments.

298. Regulations for this Part.

PART XII

Netting

Sub-Part 1

Interpretation

299. Interpretation of this Part.

Sub-Part 2

Enforceability

300. Enforceability of a Qualified Financial Contract.

301. Enforceability of a Netting Agreement.

Sub-Part 3

Multibranch Netting

302. Additonal Definitions.

303. Enforceabiliy of a Multibranch Netting Agreement against an Insolvent Local Branch.

304. Collateral for a Multibranch Netting Agreement.

305. Regulations for this Part.

PART XIII

Bankruptcy

306. Interpretation of this Part.

307. Application of this Part to Official Receiver.

308. Meaning and duration of bankruptcy order.

309. Conditions for making of bankruptcy order.

310. Persons who may apply for bankruptcy order.

311. Application by debtor.

312. Creditor's application.

313. Substitution of applicant.

314. Application by secured creditor.

315. Secured creditor failing to disclose security interest.

316. Hearing of creditor's application.

317. Application where individual creditors arrangements in place.

318. Consolidation of applications.

319. Withdrawal of application.

320. High Court's powers on hearing of application for bankruptcy order.

321. Appointment of bankruptcy trustee.

322. Period within which application shall be determined.

323. Protection of assets after application for bankruptcy order.

324. Effect of order under section 323.

325. Remuneration of person appointed under section 323.

326. Examination.

327. Effect of bankruptcy order.

328. Power to stay or restrain proceedings.

329. Definition of bankrupt's estate.

330. Acquisition by trustee of control of bankrupt's estate.

331. Goods subject to pledge etc.

332. Duties of bankrupt in relation to his assets and affairs.

333. Delivery up by other persons.

334. After-acquired assets.

335. Vesting in trustee of certain items of excess value.

336. Money provided in lieu of sale.

337. Time limit for notice under sections 334 or 335.

338. Income payments orders.

339. Bankruptcy trustee officer of High Court.

340. General duties of trustee.

341. Powers of trustee.

342. Notice of appointment.

343. Appointment of trustee in place of Official Receiver .

344. Removal of trustee.

345. Resignation of trustee.

346. Appointment of replacement trustee.

347. Remuneration of trustee.

348. General control of trustee by the High Court.

349. Meetings of creditors.

350. Distribution of bankrupt's estate.

351. Debts to spouse.

352. Claims by unsecured creditors.

353. Variation, withdrawal and expunging of claims.

354. Claims by secured creditors.

355. Redemption of security interest by trustee.

356. Realisation of security interest by secured creditor.

357. Surrender for non-disclosure.

358. Interest after commencement of bankruptcy.

359. Distribution by means of dividend.

360. Claims by unsatisfied creditors.

361. Distribution of assets in specie.

362. Final distribution.

363. No action for dividend.

364. Right of bankrupt to surplus.

365. Final meeting.

366. Contracts to which bankrupt is a party.

367. Enforcements procedures.

368. Distress, etc.

369. Unenforceability of liens on books, etc.

370. General control of High Court.

371. Power of arrest.

372. Seizure of bankrupt's assets.

373. Re-direction of bankrupt's letters, etc.

374. Trustee may disclaim onerous property.

375. When disclaimer takes effect.

376. Notice to trustee to elect whether to disclaim.

377. Effect of disclaimer.

378. Vesting orders and orders for delivery.

379. Vesting orders in respect of leases.

380. Land subject to rentcharge.

381. Disclaimer presumed valid.

382. Statement of assets and liabilities.

383. Preliminary report.

384. Duty of Official Receiver concerning report under section 383.

385. Application for examination of bankrupt and others.

386. Order for examination.

387. Conduct of examination.

388. Examinee to answer questions.

389. Examinee failing to appear for examination.

390. High Court's enforcement powers.

391. Bankrupt ineligible for automatic discharge.

392. Automatic discharge.

393. Application by bankrupt concerning order for suspension of discharge.

394. Application for discharge by High Court order.

395. High Court order on application for discharge.

396. Effect of discharge.

397. Discharged bankrupt to give assistance.

398. Annulment of bankruptcy order.

399. Release of trustee.

400. Liability of trustee.

401. Stay of distribution in case of second bankruptcy.

402. Adjustment between earlier and later bankruptcy estates.

PART XIV

Bankruptcy Offences

403. Interpretation of this Part.

404. Defence of innocent intention.

405. Non-disclosure.

406. Concealment of assets.

407. Concealment and falsification of books and papers.

408. False statements.

409. Fraudulent disposal of assets.

410. Absconding.

411. Fraudulent dealing with asset obtained on credit.

412. Obtaining credit: engaging in business.

413. Failure to keep proper accounts of business.

414. Gambling.

415. Supplementary provisions.

PART XV

Voidable Transactions

416. Interpretation of this Part.

417. Unfair preferences.

418. Undervalue transactions.

419. Extortionate credit transactions.

420. Voidable general assignment of book debts.

421. Orders in respect of voidable transactions.

422. Limitations on orders under section 421.

423. Recoveries.

424. Remedies not exclusive.

PART XVI

Bankruptcy Restrictions Orders and Undertakings

425. Interpretation of this Part.

426. Bankruptcy restrictions orders and undertakings.

427. Application for and hearing of application for bankruptcy restrictions order.

428. Duration of bankruptcy restrictions order.

429. Interim bankruptcy restrictions order.

430. Bankruptcy restrictions undertaking.

431. Variation of disqualification order or undertaking.

432. Offence provisions.

433. Official Receiver to appear on certain applications.

434. Register of disqualification orders.

435. Annulment of bankruptcy order.

PART XVII

General Provisions with regard to Insolvency Proceedings under this Act

Sub-Part 1

The Creditors' Committee

436. Interpretation and scope of this Sub-Part.

437. Establishment of creditors' committee.

438. Functions and powers of creditors' committee.

439. Composition of creditors' committee.

440. Resignation and termination of committee member.

441. Vacancies and appointment of new members.

442. Proceedings of creditors' committee.

443. Expenses of members.

444. Members dealing with company.

445. Formal defects.

Sub-Part 2

Remuneration

446. Remuneration of administrator, liquidator or bankruptcy trustee.

447. Application by creditors for reduction of remuneration.

448. General principles to be applied in fixing remuneration.

449. Time for fixing remuneration and interim payments.

PART XVIII

Cross-border Insolvency

450. Purpose and scope of this Part.

451. Interpretation of this Part.

452. International obligations of Belize.

453. Public policy exception.

454. Additional assistance.

455. Application under this Part.

456. Authorisation of insolvency officer to act in a foreign country.

457. Right of direct access.

458. Limited jurisdiction.

459. Commencement of and participation in a Belize insolvency proceeding by foreign representative.

460. Access of foreign creditors to a Belize proceeding.

461. Notification to foreign creditors of a Belize insolvency proceeding.

462. Application for recognition of foreign proceeding.

463. Presumptions concerning recognition.

464. Recognition of foreign proceedings.

465. Subsequent information.

466. Interim relief.

467. Effects of recognition of foreign main proceeding.

468. Relief that may be granted upon recognition of foreign proceeding.

469. Protection of creditors and other interested persons.

470. Actions to avoid acts detrimental to creditors.

471. Intervention by foreign representative in proceedings in Belize.

472. Cooperation and direct communication between High Court of Belize and foreign courts or foreign representatives.

473. Cooperation and direct communication between the insolvency administrator and foreign courts or foreign representatives.

474. Forms of cooperation.

475. Commencement of a Belize insolvency proceeding after recognition of foreign main proceeding.

476. Coordination of a Belize insolvency proceeding and foreign proceedings.

477. Presumption of insolvency based on recognition of foreign main proceeding.

478. Rule of payment in concurrent proceedings.

PART XIX

Orders in aid of Foreign Proceedings

479. Interpretation of this Part.

480. Order in aid of foreign proceeding.

481. Matters to be considered by High Court in determining application under section 480.

482. Limitation on effect of application under this Part.

483. Additional assistance.

484. Application under this Part.

485. Authorisation of insolvency officer to act in foreign country.

PART XX

Insolvency Practitioners

486. Interpretation of this Part.

487. Prohibition on acting as insolvency practitioner without a licence.

488. Application for licence.

489. Issue of licence.

490. Person disqualified from holding licence.

491. Production of accounts and records.

492. Suspension and revocation of licence.

493. Right to make representations and issue directives.

494. Filing of returns and other documents.

495. Eligible insolvency practitioner.

496. Appointment of overseas insolvency practitioner.

497. Commission's powers with regard to appointment of overseas insolvency practitioner.

498. Overseas practitioner sole appointee.

499. Regulations.

500. Code of Practice.

501. Insolvency Surplus Account.

PART XXI

Official Receiver

502. Official Receiver, Deputy Official Receiver and staff.

503. Official Receiver as officer of the High Court.

504. Functions of Official Receiver.

505. Right of audience.

PART XXII

Miscellaneous

506. Appointment of two or more office holders.

507. Use of prescribed forms.

508. Notices.

509. Time.

510. Resolutions.

511. Regulations.

512. Insolvent partnerships.

513. Insolvent estates.

514. Offences under the Act.

515. General offences and penalties.

516. Act binding on Crown.

517. Act to prevail.

518. Repeal, savings and transitional.

519. Consequential amendment.

520. Commencement.

SCHEDULE I

SCHEDULE II

SCHEDULE III

SCHEDULE IV

SCHEDULE V

SCHEDULE VI

SCHEDULE VII

SCHEDULE VIII

SCHEDULE IX

No. 13 of 2025

I assent,

Governor-General

18th July 2025

AN ACT governing the insolvency of companies with mechanisms established for insolvent persons to enter into arrangements with their creditors, an administration procedure for companies, the receivership of companies and foreign companies, the liquidation of companies, foreign companies, limited partnerships and partnerships, the making of bankruptcy orders against individuals, the licensing and regulation of insolvency practitioners, the penalisation and redress of wrongdoing associated with insolvent persons, the disqualification of directors, the avoidance of certain transactions, cross border insolvency issues, netting and the establishment of a simplified insolvency procedure for eligible companies and other matters connected therewith.

(Gazetted 19th July, 2025).

BE IT ENACTED, ***by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:***

PART I

Preliminary

Short title.

1. This Act may be cited as the

INSOLVENCY AND BANKRUPTCY, 2025.

Interpretation.

2.–(1) In this Act, unless the context otherwise requires–

"administration order" has the meaning specified in section 76;

"administrative receiver" has the meaning specified in section 141;

"administrator", in relation to a company, means an administrator appointed under section 79;

"arrangement" means a company creditors' arrangement under Part II, Sub-Part 2 or an individual creditors' arrangement under Part II, Sub-Part 3, as the case may be;

"articles" means–

(a) the articles of incorporation, articles of amendment, articles of continuance, articles of consolidation, articles of merger, articles of dissolution or articles of restoration; or

(b) the original, amended or restated articles of association of a company;

"asset" includes intellectual property, money, goods, things in action, land and every description of property wherever situated and obligations and every description of interest, whether present or future or vested or contingent, arising out of, or incidental to, property;

"bankrupt" means an individual against whom a bankruptcy order is made under Part XIII;

"bankruptcy trustee" means the person appointed by the High Court to be the trustee of the assets of a bankrupt;

"bankrupt's estate" has the meaning specified in section 329;

"board" in relation to a company means–

(a) the board of directors, committee of management, council or other governing authority of the company; or

(b) if the company has only one director, that director;

"business day" means any day other than a Saturday, Sunday or public holiday in Belize;

"charge" includes a mortgage, a security right created under the Movable Property Security Rights Act, a fixed charge and a floating charge, whether crystallised or not; **Act No. 21 of 2024.**

"chargor" means the holder of a charge and includes a person in whose favour a charge is to be given or executed under an agreement, whether on demand or otherwise;

"chattel leasing agreement" means an agreement for the bailment of goods which is capable of subsisting for more than 3 months;

"Civil Procedure Rules" means the Senior Courts (Civil Procedure) Rules; **S.I. No. 1 of 2025.**

"Commission" means the Financial Services Commission established under section 3 of the Financial Services Commission Act; **Act No. 8 of 2022.**

"Companies Act" means the Belize Companies Act; **Act No. 11 of 2022.**

"company" has the meaning specified in section 3 of the Belize Companies Act; **Act No. 11 of 2022.**

"connected person" in relation to–

(a) a company or a foreign company has the meaning specified in section 5(1); and

(b) an individual has the meaning specified in section 5(3);

"court rate" means a rate of interest of 6% a year from the date of judgment until satisfaction of the debt;

"creditor" means any person to whom a debt is owed and includes a secured creditor and an unsecured creditor;

"creditors' committee" means a committee appointed under section 437;

"director" in relation to a company, a foreign company and any other body corporate–

(a) includes a person occupying or acting in the position of director by whatever name called; and

(b) is subject to the limitations specified in section 6;

"disqualification order" has the meaning specified in section 252(1);

"disqualification undertaking" has the meaning specified in section 252(2);

"document" means a document in any form and includes public contracts, grants or leases of land, or any written or printed matter, any map, plan or photograph, and any article or thing that has been so treated in relation to any sounds or visual images that those sounds or visual images are capable, with or without the aid of some other device, of being reproduced from the article or thing, and includes a copy of any such matter, map, plan, photograph, article or thing;

"dollar" or "$" means a dollar in Belizean currency;

"eligible insolvency practitioner" means an insolvency practitioner who is eligible to act in relation to a company, foreign company or individual in accordance with section 495;

"financial services business" means a business that provides or holds itself out as providing financial services, but not including banks, financial institutions, insurance companies and credit unions duly licensed under an enactment authorizing such business under the laws of Belize, nor the Development Finance Corporation;

"fixed charge" means a charge or mortgage secured on particular property, including land and buildings, a ship, piece of machinery, shares or intellectual property;

"floating charge" means a charge created by a company or a foreign company which is, or as created was, a floating charge;

"foreign company" means a body corporate incorporated, registered or formed outside Belize but excludes a company within the meaning of section 3(1) of the Belize Companies Act; **Act No. 11 of 2022.**

"High Court" means the High Court of Justice as defined in section 131(1) of the Constitution; **CAP. 4.**

"insolvency practitioner" means a person acting in a capacity specified in section 487(1);

"insolvent" in relation to–

(a) a company or a foreign company, has the meaning specified in section 8(1); and

(b) an individual, has the meaning specified in section 8(2);

"interim supervisor" means the person appointed as the interim supervisor under a proposal for an arrangement;

"liability" has the meaning specified in section 10;

"licensed insolvency practitioner" means a person holding a licence to act as an insolvency practitioner issued under section 489;

"liquidator" means a voluntary liquidator or a liquidator appointed under a liquidation order;

"member" in relation to a company means a person who is–

(a) a shareholder;

(b) a guarantee member; or

(c) a member of an unlimited company who is not a shareholder;

"moratorium order" means an order granted under section 53;

"officer", in relation to a body corporate, includes a director and secretary of that body corporate but does not include an administrator, liquidator, receiver, supervisor or interim supervisor;

"Official Receiver" means the person appointed by the High Court under section 502;

"preferential claim" means a claim of a type prescribed by the Regulations as a preferential claim;

"preferential creditor" means a creditor having a preferential claim;

"prescribed priority" means–

(a) in a liquidation, the priority for the payment of the costs and expenses of a liquidation prescribed in the Regulations; and

(b) in a bankruptcy, the priority for the payment of the costs and expenses of a bankruptcy prescribed in the Regulations;

"public document" has the meaning specified in section 13;

"receiver" means the receiver of the whole or any part of the assets of a company or a foreign company and includes–

(a) a manager and a receiver;

(b) a receiver of income; and

(c) an administrative receiver;

"receiver appointed out of court" means a receiver appointed in the exercise of a power conferred by a debenture or other instrument;

Act No. 8 of 2023.

"Registrar" means the Director General of the Commission;
"regulated entity" includes an entity regulated in accordance with the Financial Services Commission Act;

"related company" means a company that is related to another company in accordance with section 5(2);

"remuneration" includes properly incurred expenses and disbursements;

"retention of title agreement" means any agreement for the sale of goods under which the seller reserves title in the goods until payment, but excludes an agreement that constitutes a charge on the goods;

"security interest" includes a charge and a lien;

"statement of affairs" means a statement of the affairs of a company or a foreign company complying with section 269;

"statement of assets and liabilities" means a statement of the assets and liabilities of an individual complying with section 382;

"statutory demand" means a demand made under section 154;
"subsidiary" and "holding company" have the meanings specified in section 4;

"supervisor" means the person appointed to act as the supervisor of an arrangement under Part II;

"unlicensed financial services business" has the meaning specified in section 7;

"verified statement of affairs" means a statement of affairs that has been verified by affidavit; and

"verified statement of assets and liabilities" means a statement of assets and liabilities that has been verified by affidavit.

(2) References in this Act or in the Regulations to the "venue" for any proceeding, attendance before the High Court or for a meeting are to the time, date and place for the proceeding, attendance or meeting.

Meaning of "company". Act No. 11 of 2022.

3. Unless this Act expressly provides otherwise, "company" means a company incorporated or continued under the Belize Companies Act.

Meaning of "subsidiary" and "holding company".

4.–(1) A company (the first company) is a subsidiary of another company (the second company), if–

(a) the second company–

(i) holds a majority of the voting rights in the first company;

(ii) is a member of the first company and has the right to appoint or remove a majority of its board; or

(iii) is a member of the first company and controls alone, or pursuant to an agreement with other members, a majority of the voting rights in the first company; or

(b) the first company is a subsidiary of a company which is itself a subsidiary of the second company.

(2) A company is the holding company of another company if that other company is its subsidiary.

(3) For the purposes of sub-section (1) and (2), "company" includes a foreign company and any other body corporate.

Meaning of "connected person" and "related company".

5.–(1) In relation to a company, "connected person" means any one or more of the following–

(a) a promoter of the company;

(b) a director or member of the company or of a related company;

(c) a beneficiary under a trust of which the company is or has been a trustee;

(d) a related company;

(e) another company one of whose directors is also a director of the company;

(f) a nominee, relative, spouse or relative of a spouse of a person referred to in paragraphs *(a)* to *(c)*;

(g) a person in partnership with a person referred to in paragraphs *(a)* to *(c)*; and

(h) a trustee of a trust having as a beneficiary a person who is, apart from this paragraph, a connected person.

(2) A company is related to another company if–

(a) it is a subsidiary or holding company of that other company;

(b) the same person has control of both companies; and

(c) the company and that other company are both subsidiaries of the same holding company.

(3) In relation to an individual, "connected person" means any one or more of the following–

(a) a relative, spouse or relative of a spouse of the individual;

(b) a person in partnership with the individual;

(c) a relative or spouse of a person in partnership with the individual;

(d) a company in respect of which he is a connected person under sub-section (1); and

(e) a trustee of a trust having as a beneficiary a person who is, apart from this paragraph, a connected person.

(4) For the purposes of this section, "company" includes a foreign company and any other body corporate.

Limitations to the Meaning of "director".

6. Notwithstanding the meaning of director in section 2–

(a) a person is not to be regarded as a director of a body corporate by reason only that a director

or the board acts on advice given by him in a professional capacity; and

(b) a person acting as an insolvency practitioner in relation to a company or a foreign company is not to be regarded as a director of the company or foreign company by virtue of his acting in that capacity.

Meaning of "unlicensed financial services business".

7. A person carries on unlicensed financial services business if he carries on an activity for which a prescribed financial services licence is required without having such a licence authorising him to carry on the activity.

Meaning of "insolvent".

8.–(1) A company or a foreign company is insolvent if–

(a) it fails to comply with the requirements of a statutory demand that has not been set aside under section 155;

(b) execution or other process issued on a judgment, or order of the High Court in favour of a creditor of the company is returned wholly or partly unsatisfied; or

(c) either–

(i) the value of the company's liabilities exceeds its assets; or

(ii) the company is unable to pay its debts as they fall due.

(2) An individual is insolvent if–

(a) that individual fails to comply with the requirements of a statutory demand that has not been set aside under section 155; or

(b) execution or other process issued on a judgment, decree or order of the High Court in favour of a creditor of the individual is returned wholly or partly unsatisfied.

Meaning of "creditor", "secured creditor" etc.

9.–(1) A person is a creditor of another person (the debtor) if he has a claim against the debtor, whether by assignment or otherwise, that is, or would be, an admissible claim in–

(a) the liquidation of the debtor, in the case of a debtor that is a company or a foreign company; or

(b) the bankruptcy of the debtor, in the case of a debtor who is an individual.

(2) A creditor is a secured creditor of a debtor if he has an enforceable security interest over an asset of the debtor in respect of his claim.

(3) An unsecured creditor is a creditor who is not a secured creditor.

Meaning of "liability".

10.–(1) For the purposes of this Act, "liability" means an obligation to pay money or money's worth including liability under enactment.

(2) A liability may be present or future, certain or contingent, fixed or liquidated, sounding only in damages or capable of being ascertained by Regulations or as a matter of opinion.

(3) For the purposes of this Act, an illegal or unenforceable liability is deemed not to be a liability.

Admissible claims.

11.–(1) For the purposes of this section, "relevant time" means the time of the commencement of the liquidation of a company or a foreign company or the commencement of the bankruptcy of an individual, as the case may be.

(2) Subject to section 12, the following liabilities are admissible as claims in the liquidation of a company or foreign company or in the bankruptcy of an individual–

(a) liabilities of the company, foreign company or individual at the relevant time;

(b) liabilities of the company, foreign company or individual arising after the relevant time by virtue of any obligation incurred before the relevant time; and

(c) any interest that may be claimed in accordance with this Act or the Regulations.

(3) For the purposes of determining whether a liability in tort is an admissible claim in the liquidation of a company or foreign company or in the bankruptcy of an individual, the company, foreign company or individual is deemed to become subject to that liability by reason of an obligation incurred at the time the cause of action accrued.

Non-admissible claims.

12. The following liabilities are not admissible claims in the liquidation of a company or a foreign company or the bankruptcy of an individual–

(a) an obligation arising under a forfeiture order made under–

(i) the Misuse of Drugs Act; or **CAP. 103.**

(ii) the Money Laundering and Terrorism (Prevention) Act; **CAP. 104.**

(b) a liability that, under any enactment or rule of law, is of a type that is not claimable, whether on grounds of public policy or otherwise; and

(c) such other liabilities or claims as may be prescribed.

Meaning of "public document".

13.–(1) Subject to sub-section (3), a "public document", in relation to a person, means a document of, or purporting to be issued, published or signed by or on behalf of that person that–

(a) in the case of a company or foreign company, is required or permitted to be filed with the Registrar under—

(i) this Act or the Regulations; or

Act No. 11 of 2022.

(ii) the Belize Companies Act;

(b) is issued, published or signed under, or for the purposes of, this Act or the Regulations or any other enactment; or

(c) is issued or signed in the course of, or for the purposes of, a particular transaction or dealing.

(2) Without limiting sub-section (1), "public document" includes a business letter, statement of account, invoice, receipt, order for goods, order for services or an official notice of, or purporting to be issued, published or signed by, or on behalf of, that person.

(3) A document is not a public document if it is applied, or intended or required to be applied, to goods or to any container, package or wrapping within which goods are, or are intended to be, supplied for a purpose connected with the supply of those goods.

PART II

Creditors' Arrangements

Sub-Part 1

Interpretation

Interpretation and scope of this Part.

14.–(1) In this Part–

"arrangement" has the meaning specified in section 15;

"debtor" means a company or individual proposing an arrangement;

"nominated insolvency practitioner" means the insolvency practitioner nominated as the interim supervisor under a proposal–

(a) by the board of a company;

(b) by the administrator or liquidator of a company, where the company is in administration or liquidation; or

(c) by an individual debtor; and

"proposal" means a proposal for an arrangement.

(2) Where the context allows, a reference in this Part–

(a) to a proposal includes the proposal as amended; and

(b) to the rejection of a proposal includes the deemed rejection of a proposal.

Arrangements.

15.–(1) An arrangement is a compromise between a debtor and its or his creditors, the implementation of which is supervised by a supervisor acting as a trustee or otherwise.

(2) Without limiting sub-section (1), an arrangement may–

(a) cancel all or any part of, or vary, a liability of the debtor;

(b) vary the rights of the debtor's creditors or the terms of a debt; and

(c) include any other provision that may be prescribed.

(3) Varying a liability or the terms of a debt under sub-section (2)*(a)* or *(b)* may include–

(a) varying, adding or cancelling rights to interest; and

(b) varying the dates upon which a liability, or part of a liability, becomes due for payment.

(4) An arrangement shall not, except with the written agreement of the secured creditor or the preferential creditor concerned–

(a) affect the right of a secured creditor of the debtor to enforce his security interest or vary the liability secured by the security interest; or

(b) result in a preferential creditor receiving less than he would receive in a liquidation or bankruptcy of the debtor had it commenced at the time of approval of the arrangement.

(5) An arrangement does not effect a release of any surety or co-debtor of the debtor unless the terms of the arrangement expressly provide otherwise.

Remuneration of supervisor and interim supervisor.

16.–A supervisor and an interim supervisor are entitled to be paid remuneration for his services consisting of–

(a) any disbursements made by the interim supervisor prior to the approval of the arrangement, and any remuneration for his services as is agreed between himself or herself and–

(i) in the case of a company, the board or, where it is in liquidation, the administrator or liquidator; or

(ii) in the case of an individual, the debtor; and

(b) any fees, costs, charges or expenses which–

(i) are sanctioned by the terms of the arrangement; or

(ii) would be payable, or correspond to those which would be payable, in an administration or liquidation (in the case of a company) or in a bankruptcy (in the case of an individual).

Fixing of remuneration by High Court.

17.–(1) Notwithstanding the terms of the arrangement, on the application of a person referred to in sub-section (4), the High Court may review and fix the amount paid or to be paid by way of remuneration to a supervisor or an interim supervisor.

(2) Subject to sub-section (3), the High Court's power under sub-section (1)–

(a) extends to fixing the remuneration for any period before the making of the order or the application for it;

(b) is exercisable notwithstanding that the supervisor or interim supervisor has died or ceased to act before the making of the application or the order; and

(c) extends to requiring the supervisor or interim supervisor or his personal representative to account for the excess or such part of it as may be specified in the order to the extent that an amount paid to or retained by the supervisor or interim supervisor as remuneration exceeds that fixed by the High Court for the period concerned.

(3) The power conferred by sub-section (2) may not be exercised with respect to a period before the date of the application for an order under this section unless the High Court is satisfied that there are special circumstances that justify it.

(4) Application to the High Court for an order under sub-section (1) may be made by any of the following persons–

(a) the supervisor or interim supervisor; or

(b) the company or–

(i) if the company is in liquidation, its liquidator; or

(ii) if the company is in administration, its administrator.

(5) In fixing the remuneration of a supervisor or interim supervisor under this section, the High Court shall apply the general principles specified in section 448.

Commission's rights in respect of a regulated entity.

18. Where a proposal is made, or an arrangement approved, in respect of a regulated entity–

(a) every notice or other document required to be sent to a creditor of the debtor under this Part shall also be sent to the Commission; and

(b) unless the applicant is the Commission, notice shall be given to the Commission of any application to the High Court under this Part.

Sub-Part 2

Company Creditors' Arrangement

Interpretation and scope of this Sub-Part.

19.–(1) In this Sub-Part, "proposal period" means the period from the appointment of the interim supervisor to the approval or rejection by the creditors of the proposed arrangement.

(2) A foreign company may not propose or enter into an arrangement under this Part.

Proposal for an arrangement by board.

20.–(1) The board of a company, other than a company that is in liquidation or in administration, may propose an arrangement and nominate an interim supervisor to act in relation to the proposed arrangement if–

(a) it believes on reasonable grounds that the company is insolvent or is likely to become insolvent; and

(b) it has passed a resolution–

(i) stating its belief that the company is insolvent or is likely to become insolvent;

(ii) approving a written proposal containing the information prescribed; and

(iii) nominating an eligible insolvency practitioner to be appointed as interim supervisor.

(2) A director who votes in favour of a resolution under sub-section (1) without having reasonable grounds for believing that the company is insolvent or is likely to become insolvent commits an offence.

Appointment of interim supervisor by board.

21.–(1) Where the board of a company has passed a resolution under section 20(1)*(b)*, it shall provide the nominated insolvency practitioner with–

(a) a copy of the resolution passed;

(b) a copy of the proposal approved by the board;

(c) a statement of affairs made up to a date no earlier than 2 weeks prior to the date of the resolution; and

(d) a notice of intention to appoint the nominated insolvency practitioner as interim supervisor.

(2) The nominated insolvency practitioner may accept appointment as interim supervisor by delivering a copy of the notice referred to in sub-section (1)*(d)*, endorsed in accordance with the Regulations, to the board within 5 business days of the date when the resolution was passed under section 20(1)*(b)*.

(3) Subject to sub-section (4), the appointment of an interim supervisor takes effect from the time when he delivers the endorsed notice to the board.

(4) A resolution passed under section 20(1)*(b)* lapses and is of no effect if the insolvency practitioner nominated in the resolution is not appointed in accordance with this section within 5 business days of the date when the resolution was passed.

Appointment of interim supervisor, company in administration or liquidation.

22.–(1) Where a company is in administration or liquidation, the administrator or liquidator may make a proposal and appoint another eligible insolvency practitioner as the interim supervisor.

(2) Where the administrator or liquidator intends to appoint another eligible insolvency practitioner as interim supervisor, he shall provide him with–

(a) a notice of intention to appoint him as interim supervisor; and

(b) a written proposal containing the information prescribed.

(3) The nominated insolvency practitioner may accept appointment as interim supervisor by delivering the notice referred to in sub-section (2)*(a)*, endorsed in accordance with the Regulations, to the administrator or liquidator.

(4) The appointment of an interim supervisor under this section takes effect from the time when the endorsed notice of intention to appoint is received by the administrator or liquidator.

Administrator or liquidator acting as interim supervisor.

23.–(1) An administrator or liquidator who intends to make a proposal may, instead of appointing another eligible insolvency practitioner as interim supervisor, act as the interim supervisor himself.

(2) Where the administrator or liquidator intends to act as the interim supervisor himself, the administrator or liquidator, as the case may be, shall–

(a) prepare a written proposal containing the information prescribed; and

(b) sign a notice of intention to act as interim supervisor.

(3) The appointment of the administrator or liquidator as interim supervisor under this section takes effect on the date of the notice of intention to act as interim supervisor.

Notification of appointment of interim supervisor.

24.–(1) The interim supervisor shall, within 2 business days of his appointment–

(a) file a notice of appointment as interim supervisor with the Registrar; and

(b) if the company is a regulated entity, file a copy of the notice of his appointment with the Commission.

(2) An interim supervisor who contravenes sub-section (1) commits an offence.

Functions of interim supervisor and power to obtain information.

25.–(1) The functions of an interim supervisor are–

(a) to prepare a report on the proposal for the creditors;

(b) to carry out any duties assigned to him by this Act or the Regulations;

(c) in the case of an interim supervisor appointed by the board or by the administrator or liquidator of a company, to undertake such functions and duties as he may agree to undertake with the board or with the administrator or liquidator; and

(d) in the case of an interim supervisor appointed by the board of a company, to monitor the affairs of the company, including the conduct of its business, during the proposal period.

(2) Where an interim supervisor is appointed by the board or by the administrator or liquidator of a company, every

officer of the company or the administrator or liquidator of the company, as the case may be, shall—

(a) provide to the interim supervisor such documents, information and explanations as he may reasonably require for the purposes of enabling him to exercise his functions; and

(b) give the interim supervisor such assistance as he may reasonably require.

(3) On the application of the interim supervisor, the High Court may make an order requiring an officer of the company to comply with sub-section (2).

(4) An officer of a company who fails to comply with an order of the High Court made under sub-section (3) commits an offence.

Amendment of proposal before creditors' meeting.

26.–(1) The board of a company or, in the case of a company that is in administration or liquidation, its administrator or liquidator, may amend or withdraw a proposal in accordance with the Regulations–

(a) before the appointment of an interim supervisor;

(b) after the appointment of an interim supervisor but before notice of a creditors' meeting has been given under section 27; or

(c) after notice of a creditor's meeting has been given under section 27 but before the date fixed for the meeting.

(2) The Board of a company may not amend or withdraw a proposal unless it has passed a resolution to do so.

(3) A proposal cannot be amended or withdrawn otherwise than in accordance with this section or section 31.

Calling creditors' meeting.

27.–(1) The interim supervisor shall–

(a) prepare a written report on the proposal complying with the Regulations;

(b) call a meeting of creditors for a date no later than 28 days after the commencement of the proposal period for the purposes of considering whether to approve the proposal;

(c) send to each creditor, together with the notice of the meeting, a copy of the proposal, his report on the proposal and a copy of the company's statement of affairs;

(d) cause the creditors' meeting to be advertised;

(e) send a copy of the notice of the creditors' meeting, together with copies of the documents sent to creditors, to every member of the company; and

(f) send to every director of the company a copy of the notice of the meeting, together with copies of the documents sent to creditors.

(2) Where a proposal is amended under section 26(1)*(b)*, this section and section 28 applies to the amended proposal as if it were the original proposal.

(3) An interim supervisor who contravenes sub-section (1) commits an offence.

Interim supervisor may require certain persons to attend creditors' meeting.

28.–(1) If the interim supervisor considers that it is reasonable to require the presence at a creditors' meeting called under section 27 of a person specified in sub-section (4), the interim supervisor may, by notice, require the person to attend the meeting.

(2) In determining whether it is reasonable to require a person to attend the creditors' meeting, the matters that the interim supervisor shall have regard to include–

(a) the likely benefits of the person's attendance;

(b) the travel and associated expenses that will be incurred by him in attending the meeting, unless the interim supervisor is prepared to pay those expenses;

(c) the distance that he would be required to travel to attend the meeting; and

(d) the time that it would take him to travel to and from and attend the meeting.

(3) A notice under sub-section (1) requiring a person to attend a creditors' meeting shall be sent to that person at least 14 days prior to the date of the meeting and shall be accompanied by copies of the documents required to be sent to creditors under section 27(1).

(4) Sub-section (1) applies to an officer of the company and to any person who, at any time during the 2 years prior to the date of the notice, was an officer of the company.

(5) A person commits an offence if–

(a) that person receives a notice to attend a creditors' meeting under sub-section (1); and

(b) without reasonable excuse, that person fails to attend the meeting.

Attendance of members and directors at creditors' meeting.

29.–(1) Subject to sub-section (2), each member and director of a company is entitled to attend the creditors' meeting and, with the permission of the chairman, to address the meeting, but not to vote in that capacity at the meeting.

(2) The chairman of the creditors' meeting may, if he thinks fit, exclude any present or former director or other officer from attendance at the meeting, either completely or for any part of it.

(3) Sub-section (2) applies whether or not the present or former director or other officer–

(a) is also a member; or

(b) has been sent a notice requiring him to attend the meeting.

Business to be conducted at creditors' meeting.

30.–(1) At the meeting called under section 27, the creditors may resolve–

(a) to approve the proposal, with or without amendment, and appoint the interim supervisor, or another eligible insolvency practitioner, to be the supervisor of the arrangement;

(b) to adjourn the meeting to a date no later than 3 months after the commencement of the proposal period; or

(c) to reject the proposal.

(2) A resolution to approve a proposal is invalid and of no effect if

(a) the proposal does not comply with section 15(4);

(b) the proposal has been amended without the consent of the board or, in the case of a company in administration or liquidation, its administrator or liquidator; or

(c) the proposal has been amended otherwise than in accordance with section 26 or section 31.

(3) The proposal is deemed to be rejected, and the creditors' meeting concluded, if–

(a) the creditors fail to pass one of the resolutions specified in sub-section (1); or

(b) the creditors' meeting is not held on the date for which it was called or to which it was adjourned.

(4) On the rejection of a proposal the proposal period ends and the appointment of the interim supervisor is terminated.

(5) References in this section to a meeting include, where the meeting is adjourned, the adjourned meeting.

Amendment or withdrawal of proposal at creditors' meeting.

31.–(1) Where, at a meeting called under section 27, the creditors wish to approve an amended proposal that has not been amended in accordance with section 26, the meeting shall be adjourned for sufficient time to enable the chairman of the meeting to give all creditors of the company not present or represented at the meeting at least 2 business days' notice—

(a) of the venue of the adjourned meeting; and

(b) of the amended proposal to be considered at the adjourned meeting.

(2) Where a meeting is adjourned under sub-section (1), section 30 applies to the adjourned meeting.

(3) Sub-section (1) does not apply if–

(a) every creditor who was given notice of the meeting under section 27 is present or represented at the meeting; or

(b) the chairman certifies in writing that an amendment is to correct minor errors or is otherwise not material.

(4) The board of a company or, in the case of a company that is in administration or liquidation, its administrator or liquidator, may withdraw a proposal at a creditors' meeting called under section 27 in accordance with the Regulations.

Report on outcome of creditors' meeting.

32.–(1) The chairman of a creditors' meeting called under section 27 shall, within 4 business days of the conclusion of the meeting, prepare a report complying with sub-section (2).

(2) A report prepared under sub-section (1) shall–

(a) state whether the proposal was approved or rejected or withdrawn and, if approved, with what modifications, if any;

(b) set out the resolutions put to the meeting, and the decision on each one;

(c) list the creditors, with their respective values, who were present or represented at the meeting; and

(d) include such further information, if any, that the chairman considers should be made known to creditors.

(3) The chairman shall–

(a) send a copy of his report to every creditor and every member of the company; and

(b) file a copy of his report with the Registrar.

(4) For the purposes of sub-section (1), a creditors' meeting is concluded if–

(a) the creditors resolve either to approve or reject the proposal; or

(b) the proposal is withdrawn in accordance with section 31(4) or is deemed to be rejected.

(5) A person who contravenes sub-section (1) or sub-section (3) commits an offence.

Notification of appointment of supervisor.

33.–(1) The supervisor shall, within 2 business days of his appointment–

(a) file a notice of appointment as supervisor with the Registrar; and

(b) if the company is a regulated entity, file a copy of the notice of his appointment with the Commission.

(2) A supervisor who contravenes sub-section (1) commits an offence.

Effect of approval of proposal.

34.–(1) Where a proposal is approved at a creditors' meeting, the arrangement is binding on the company and on each member and each creditor of the company as if he was a party to the arrangement.

(2) For the purposes of sub-section (1), a person is a creditor of the company–

(a) where the company is in administration or liquidation at the time that the proposal is approved, if he was a creditor at the commencement of the administration or liquidation, as the case may be; or

(b) in any other case, if he has a claim against the company that would be an admissible claim in the liquidation of the company commencing at the time of the approval of the arrangement.

Supervisor to be given possession of assets included in arrangement.

35.–(1) After the approval of an arrangement the board or, where appropriate the administrator or liquidator, shall forthwith take all necessary steps to put the supervisor into possession of the assets included in the arrangement.

(2) The supervisor shall, on taking possession of the assets included in the arrangement–

(a) where, at the time of approval, the company is in administration or liquidation–

(i) promptly discharge any sums due to the administrator or liquidator under the Act or the Regulations; or

(ii) provide the administrator or liquidator with a written undertaking to discharge any such sums out of the assets as soon as practicable; and

(b) where, at the time of approval, the company is in liquidation, promptly discharge any sums due to the preferential creditors.

(3) The supervisor shall, out of the assets included in the arrangement–

(a) discharge all guarantees properly given, or obligations properly entered into, by the administrator or liquidator for the benefit of the company or in the course of his duties;

(b) pay the administrator's or the liquidator's outstanding remuneration; and

(c) if as part of the arrangement, the administration order is to be discharged and the administrator released or the liquidation terminated by order of the High Court under section 232, pay the costs of such discharge, release or termination.

(4) The following have equally ranking charges on the assets included in the arrangement, subject to the deduction of the proper costs and expenses of realisation–

(a) notwithstanding his release or discharge, the administrator or liquidator of a company in respect of any monies payable under sub-sections (2) and (3); and

(b) each preferential creditor in respect of any monies payable to him under sub-section (2).

(5) In this section, "liquidator" and "administrator" includes, where appropriate, a former liquidator or administrator.

Supervisor's duty to keep accounting records.

36.–(1) Where an arrangement permits or requires the supervisor–

(a) to carry on the business of the company or trade on its behalf and in its name;

(b) to realise assets of the company; or

(c) otherwise, to administer or dispose of any of its funds,

he shall keep accounting records that correctly record and explain the receipts, expenditure and other transactions relating to his acts and dealings in and in connection with the arrangement.

(2) The supervisor shall retain the accounting records kept under sub-section (1) for a period of not less than 6 years after the termination of the arrangement.

(3) A supervisor who contravenes this section commits an offence.

Supervisor to prepare and send out regular accounts and reports.

37.–(1) The supervisor shall prepare accounts of his receipts and payments, if any, and reports concerning the progress and efficacy of the arrangement covering the periods specified in sub-section (2).

(2) The accounts and reports prepared under sub-section (1) shall cover–

(a) the period of 12 months following the supervisor's appointment;

(b) each subsequent period of 12 months; and

(c) where the supervisor ceases to act as supervisor–

(i) the period from the end of the period covered by the last accounts required to be prepared under this section, or if he acted as supervisor for less than 12 months from the date of his appointment, to the date of his ceasing to act; and

(ii) the period from the date of his appointment to the date of his ceasing to act, unless prepared in accordance with sub-section (2)*(c)(i)*.

(3) The supervisor shall, within 60 days of the last day of the period covered by the accounts–

(a) file a copy of the accounts and his report with the Registrar; and

(b) send a copy of the accounts and his report to–

(i) the company;

(ii) each creditor of the company who is bound by the arrangement; and

(iii) each member of the company.

(4) The High Court, on the application of the supervisor, may dispense with the sending of the accounts and report prepared under sub-section (1) to the members of the company.

(5) A supervisor who contravenes this section commits an offence.

Completion or premature termination of arrangement.

38.–(1) Where an arrangement is completed or terminated prematurely, the supervisor shall, within 28 days of its completion or termination–

(a) file a notice of completion or termination with the Registrar; and

(b) send a notice of completion or termination to the company and to each creditor of the company who is bound by the arrangement and each member of the company.

(2) Where an arrangement is completed or terminated prematurely, the report prepared under section 37(2) shall explain any material difference between the implementation of the arrangement and the proposal approved by the creditors.

(3) A supervisor who contravenes this section commits an offence.

Supervisor may propose modification of arrangement.

39.–(1) In this section and in section 40–

(a) "creditor", in relation to an arrangement, means a creditor bound by that arrangement; and

(b) "proposal" means a proposal to modify an arrangement.

(2) If the supervisor of an arrangement considers it appropriate, he may propose a modification of the arrangement at a meeting of creditors called for such a purpose.

(3) The supervisor shall call a meeting of creditors under sub-section (2) by sending to each creditor–

(a) a notice of the meeting; and

(b) a written report on the proposed modification complying with the Regulations.

(4) The supervisor shall send a copy of the notice of the meeting and his report on the proposed modification to each member and director of the company.

Modification of arrangement.

40.–(1) Unless the Regulations otherwise provide, sections 28, 29, 30 and 32 and the relevant Regulations apply, with suitable modifications, to a meeting called under section 39.

(2) Where a proposal to modify an arrangement is approved–

(a) the modified arrangement is binding on the company and on each member and each creditor of the company as if he had agreed to the modification; and

(b) the provisions of this Sub-Part applicable to an arrangement apply to the modified arrangement.

(3) An arrangement may not be modified otherwise than in accordance with section 39 and this section.

Appointment of interim supervisor or supervisor by High Court.

41.–(1) The High Court may, on an application made by a person and in the circumstances specified in sub-section (2), order that an eligible insolvency practitioner, is appointed as supervisor or interim supervisor either in substitution for the existing supervisor or interim supervisor or to fill a vacancy.

(2) An application under sub-section (1) may be made–

(a) where the supervisor or interim supervisor has failed to comply with a duty imposed upon him under this Sub-Part or has died, by the board of the company, or where it is in administration or liquidation by the administrator or liquidator;

(b) where it is impracticable or inappropriate for the existing supervisor or interim supervisor to continue to act, by the board of the company, or where it is in administration or liquidation by the administrator or liquidator, or by the supervisor or interim supervisor; or

(c) where the licence of the insolvency practitioner appointed as supervisor or interim supervisor is suspended or revoked, by the Official Receiver.

(3) An order under sub-section (1) may increase the number of persons acting as supervisor or interim supervisor or replace one or more of those persons.

Application where arrangement approved or modified.

42.–(1) Where an arrangement is approved or modified, the High Court may–

(a) on an application made by a person specified in sub-section (2)–

(i) give directions to the supervisor in relation to any matter arising;

(ii) confirm, reverse or modify any act or decision of the supervisor; or

(iii) make such other order as it considers fit; or

(b) on an application made by the supervisor or, if appropriate the administrator or liquidator–

(i) discharge the administration order or terminate the liquidation under section 231; and

(ii) give such directions regarding the administration or liquidation as it considers appropriate.

(2) Application under sub-section (1)*(a)* may be made by the supervisor, by any administrator or liquidator, by a creditor, director or member of the company, by a surety of a liability of the company, by a co-debtor of the company, by a person affected by the arrangement or, where the company is a regulated entity, by the Commission.

(3) The High Court shall not make an order under sub-section (1)*(b)*–

(a) until a period of 28 days after the chairman's report is filed under section 32(3); or

(b) at any time when an application under section 43, or an appeal in respect of such an application, is outstanding or during the period within which such an appeal may be brought.

Application on grounds of unfair prejudice.

43.–(1) An application may be made by a person specified in sub-section (2) for an order under sub-section (3) on one or both of the following grounds–

(a) that an arrangement approved or modified by the creditors unfairly prejudices the interests

of a member, creditor, surety or co-debtor of the company; or

(b) that there has been a material irregularity at or in relation to the meeting at which the arrangement was approved or modified.

(2) An application for an order under sub-section (3) may be made by–

(a) a member, creditor, surety or co-debtor of the company;

(b) the supervisor or the person who, immediately prior to the approval of the arrangement, acted as interim supervisor;

(c) where the company is in administration, the administrator;

(d) where the company is in liquidation, the liquidator; or

(e) where the company is a regulated entity, the Commission.

(3) Where it is satisfied as to either of the grounds specified in sub-section (1), the High Court–

(a) may revoke or suspend–

(i) any decision approving or modifying the arrangement; or

(ii) any decision taken at a meeting at or in relation to which there was a material irregularity; and

(b) may give a direction to any person–

(i) for the calling of a further meeting to consider any amended proposal for an arrangement that the board or the supervisor may make;

(ii) for the calling of a further meeting to consider any amended proposal for a modification of the arrangement that the supervisor may make; or

(iii) where there has been a material irregularity, for the calling of a further creditors' meeting to reconsider the proposal for the arrangement or for the modification of an arrangement.

(4) Where at any time after giving a direction under sub-section (3)*(b)(i)* or *(ii)*, the High Court is satisfied that the board, or the supervisor, does not intend to submit an amended proposal, the High Court shall revoke the direction and revoke or suspend any decision approving the arrangement or the modification of an arrangement.

(5) Where the High Court, on an application under this section, gives a direction under sub-section (3)*(b)* or revokes or suspends a decision under sub-section (3)*(a)* or (4), the High Court may give such supplemental directions as it considers fit and, in particular, directions with respect to things done under the arrangement since it, or any modification, took effect.

(6) Except as provided in this section, a decision taken at a meeting called under section 27 or 39 is not invalidated by any irregularity at or in relation to the meeting.

(7) Without limiting sub-section (1)*(a)*, the interests of a member, creditor, surety or co-debtor of the company are capable of being unfairly prejudiced on the grounds that the remuneration paid or to be paid to the supervisor is excessive.

(8) Subject to sub-section (9), no application under this section shall be made after the arrangement has been completed or has prematurely terminated.

(9) A creditor who did not participate in the approval of an arrangement may make an application under this section after the completion of an arrangement if, when the arrangement was completed, he was unaware of the arrangement.

(10) An application under sub-section (9) shall be made within 4 weeks of the creditor first becoming aware of the arrangement.

(11) For the purposes of this section, a creditor does not participate in the approval of an arrangement if, for whatever reason–

(a) the creditor was not given notice of the meeting of creditors called to consider the proposal; and

(b) the creditor did not attend the meeting at which the arrangement was approved, whether in person or by proxy.

Application to High Court by former supervisor or interim supervisor.

44. Where an application may be made to the High Court by a supervisor or an interim supervisor under sections 41, 42 or 43, an application may, with the leave of the High Court, be made by the person who was the supervisor or interim supervisor immediately before–

(a) the termination of his appointment;

(b) the termination of the arrangement; or

(c) the termination of the proposal period, as the case may be.

False representations etc.

45. An officer of a company who makes any false representation or who fraudulently does, or omits to do, anything for the purpose of obtaining the approval of the creditors of the company to an arrangement commits an offence.

Sub-Part 3

Individual Creditors' Arrangement

Interpretation and scope of this Sub-Part.

46.–(1) In this Sub-Part–

"debtor" means an individual who intends to make or who has made a proposal under this Sub-Part; and

"interested person" means–

(a) in relation to a security interest, the person entitled to the security interest or any receiver appointed under the security interest;

(b) in relation to an asset not belonging to a debtor which is used or occupied by or in the possession of the debtor, the owner or lessor of the asset;

(c) in relation to proceedings, execution or legal process, including distress, a person who is entitled to commence or continue the proceedings, execution or legal process or levy the distress; and

(d) in relation to a guarantee of a liability of the debtor, the person entitled to enforce the guarantee;

"proposal period" means the period from the appointment of the interim supervisor to the approval or rejection by the creditors of the proposed arrangement.

(2) An undischarged bankrupt may not make a proposal under this Sub-Part.

(3) Where the context allows, a reference in this Sub-Part to the extension of a moratorium period includes a further extension of the moratorium period.

Proposal.

47.–(1) A debtor who intends to make a proposal under this Sub-Part shall–

(a) nominate an eligible insolvency practitioner to act as interim supervisor for the purposes of the proposal; and

(b) provide the nominated insolvency practitioner with–

(i) a copy of the proposal;

(ii) a statement of assets and liabilities made up to a date no earlier than 4 weeks prior to the date upon which it is provided to the nominated insolvency practitioner; and

(iii) a notice of intention to appoint the nominated insolvency practitioner as interim supervisor.

(2) The nominated insolvency practitioner may accept appointment as interim supervisor, by delivering to the debtor a copy of the notice referred to in sub-section (1)*(b)*, endorsed in accordance with the Regulations.

(3) Subject to sub-section (4), the appointment of an interim supervisor takes effect from the time when he delivers the endorsed notice to the debtor.

(4) The appointment of an interim supervisor is not effective unless he accepts appointment under sub-section (2) within 5 business days of the date of receiving the notice of intention to appoint him as interim supervisor from the debtor.

Notification of appointment of interim supervisor.

48.–(1) The interim supervisor shall, within 2 business days of his appointment file a copy of the notice of his appointment with the Official Receiver and, if the debtor is a regulated entity, with the Commission.

(2) An interim supervisor who contravenes sub-section (1) commits an offence and is liable to an administrative fine as may be imposed by the Commission as set out in Regulations.

Functions of interim supervisor and power to obtain information.

49.–(1) The functions of an interim supervisor are–

(a) to prepare a report on the proposal for the High Court;

(b) to carry out any duties assigned to him by this Act or the Regulations or by the High Court;

(c) to undertake such functions and duties as he may agree with the debtor; and

(d) to monitor the affairs of the debtor, including the conduct of any business carried on by the debtor, during the proposal period.

(2) For the purposes of enabling the interim supervisor to exercise his functions, a debtor shall–

(a) provide to the interim supervisor such documents, information and explanations as he may reasonably require; and

(b) give the interim supervisor such assistance as he may reasonably require.

(3) On the application of the interim supervisor, the High Court may make an order requiring a debtor to comply with sub-section (2).

(4) A debtor who fails to comply with an order of the High Court made under sub-section (3) commits an offence.

Amendment of proposal after appointment of interim supervisor.

50.–(1) A debtor may amend or withdraw a proposal in accordance with the Regulations–

(a) before the appointment of an interim supervisor;

(b) after the appointment of an interim supervisor but before notice of a creditors' meeting has been given under section 58; or

(c) after notice of a creditors' meeting has been given under section 58 but before the date fixed for the meeting.

(2) A proposal cannot be amended or withdrawn otherwise than in accordance with this section or section 60.

Application for moratorium order.

51.–(1) A debtor who intends to make a proposal may apply to the High Court for a moratorium order under this section if–

(a) the debtor is entitled to apply to the High Court for a bankruptcy order under section 311;

(b) an eligible insolvency practitioner has accepted appointment as interim supervisor under the proposal in accordance with section 47;

(c) no previous application for a moratorium has been made by the debtor during the 12 months immediately preceding the date of the application; and

(d) the debtor is not a regulated entity.

(2) An application under sub-section (1) shall be supported by an affidavit setting out the matters prescribed and exhibiting–

(a) a copy of the proposal provided to the interim supervisor under section 47(1)*(b)*;

(b) a copy of the endorsed notice of appointment of the interim supervisor; and

(c) a statement of assets and liabilities.

(3) The debtor shall give 2 business days' notice of the hearing of an application under this section to–

(a) the interim supervisor; and

(b) any creditor who, to the knowledge of the debtor, has applied to the High Court for a bankruptcy order against him.

High Court may grant stay.

52.–(1) At any time when an application under section 51 for a moratorium order is pending, the High Court may, on the application of the debtor or the interim supervisor, stay any action, execution or other legal process against the debtor or his assets.

(2) Any High Court or tribunal in which proceedings are pending against a debtor may, on proof that an application under section 51 has been made by the debtor, either stay

those proceedings or allow them to continue on such terms as it considers just.

Moratorium order.

53.–(1) The High Court may make a moratorium order on an application under section 51 if it considers that it would be appropriate to do so for the purpose of facilitating the consideration of the debtor's proposal.

(2) Unless extended by the High Court under this section, a moratorium order ceases to have effect at the end of the 14th day after the date upon which it is made.

(3) If the High Court makes a moratorium order under sub-section (1), it shall at the same time fix a venue for consideration of the interim supervisor's report under section 56, no later than the date of expiry of the moratorium order under sub-section (2).

(4) In a case where the interim supervisor has failed to submit his report as required by section 56, the High Court may, on the application of the debtor, direct that the moratorium order shall continue or, if it has ceased to have effect, be renewed for such further period as the Court may order.

(5) The High Court may, on the application of the interim supervisor, extend the period for which the moratorium order has effect so as to enable the interim supervisor to have more time to prepare and submit his report under section 56.

(6) The High Court may, at any time, discharge the moratorium order if it is satisfied, whether by reason of a report made to it by the interim supervisor under section 54 or otherwise–

(a) that the debtor has failed to comply with his obligations under section 49(2);

(b) that it would not be appropriate for a meeting of creditors to be called to consider the debtor's proposal; or

(c) that, for any other reason, it is appropriate for the moratorium order to be discharged.

(7) An order discharging the moratorium order may be made by the High Court on the application of the debtor or the interim supervisor or on its own motion.

Duty of interim supervisor to report certain matters to the High Court.

54. The interim supervisor shall report to the High Court forthwith if, at any time during the period when a moratorium order is in force–

(a) the interim supervisor forms the view that the proposed arrangement no longer has a reasonable prospect of being approved or implemented; or

(b) the debtor fails to comply with his obligations under section 49(2).

Effect of moratorium order.

55.–(1) In the period during which a moratorium order is in force in respect of a debtor–

(a) no application for a bankruptcy order against the debtor may be presented or proceeded with;

(b) no bankruptcy order may be made against the debtor;

(c) no steps may be taken to enforce any security interest over the debtor's assets, except with the leave of the High Court;

(d) no steps may be taken to repossess assets that are being used or occupied by or are in the possession of the debtor, including–

(i) goods supplied under a hire purchase, conditional sale or chattel leasing agreement; and

(ii) goods supplied subject to a retention of title agreement, except with the leave of the High Court; and

(e) no proceedings, execution or other legal process may be commenced or continued or distress levied against the debtor or his assets, except with the leave of the High Court.

(2) On an application for leave under sub-section (1), the High Court may grant leave subject to such terms and conditions as it considers fit.

(3) Sub-section (1) does not prevent or require the leave of the High Court to be obtained for–

(a) the enforcement of a security interest on assets belonging to a debtor if, before the commencement of the moratorium period, an interested person lawfully–

(i) entered into possession or assumed control of the assets; or

(ii) entered into a binding agreement to sell the assets, for the purpose of enforcing the security interest on those assets;

(b) the repossession of assets being used or occupied by or in the possession of a debtor if, before the commencement of the moratorium period, an interested person lawfully entered into possession, or assumed control of those assets; or

(c) the exercise by a creditor of any set-off that he would have been entitled to exercise under section 149 if the debtor was in bankruptcy, the bankruptcy having commenced on the date that the moratorium order was made.

Interim supervisor's report on debtor's proposal.

56.–(1) An interim supervisor shall, before the end of the relevant time limit specified in sub-section (3), file with the High Court a report including the matters prescribed in the Regulations.

(2) An interim supervisor shall file with the report–

(a) where the debtor made an application for a moratorium order under section 51 and the proposal has since been amended, a copy of the amended proposal; or

(b) where the debtor has not made an application for a moratorium order, copies of the documents referred to in section 51(2)*(a)* to *(c)*.

(3) The relevant time limits for the purposes of sub-section (1) are–

(a) where a moratorium order has been made, no less than 2 business days prior to the date of the hearing fixed under section 53(3); or

(b) in any other case, within 14 days after the date of the appointment of the interim supervisor.

(4) The High Court may, on the application of the interim supervisor, extend the period within which the interim supervisor shall submit his report under sub-section (1) by such further period as it considers appropriate.

Extension of moratorium.

57.–(1) This section applies where a moratorium order is in force at the time when the interim supervisor files his report with the High Court.

(2) If, on receiving the interim supervisor's report, the High Court is satisfied that a meeting of creditors should be called to consider the debtor's proposal, the High Court shall extend the period for which the moratorium order is in force for such further period as it may specify for the purpose of enabling the debtor's proposal to be considered by his creditors in accordance with this Sub-Part and for the result of the creditors' meeting to be reported to the High Court.

Calling creditors' meeting.

58.–(1) Unless the High Court otherwise orders, where the interim supervisor has reported to the High Court that a meeting of creditors should be called, he shall–

(a) call a meeting of creditors at the venue proposed in his report; and

(b) send to each creditor, together with the notice of the meeting, a copy of the debtor's proposal, his report on the proposal and a copy of the debtor's statement of assets and liabilities.

(2) An interim supervisor who contravenes sub-section (1) commits an offence.

Decisions of creditors' meetings.

59.–(1) At the meeting called under section 58, the creditors may resolve–

(a) to approve the proposal, with or without amendment, and appoint the interim supervisor, or another eligible insolvency practitioner, to be the supervisor of the arrangement;

(b) to adjourn the meeting to a date no later than 28 days after the date for which the meeting was originally called; or

(c) to reject the proposal.

(2) A resolution to approve a proposal is invalid and of no effect if–

(a) the proposal does not comply with section 15(4);

(b) the proposal has been amended without the consent of the debtor; or

(c) the proposal has been amended otherwise than in accordance with section 50 or section 60.

(3) The proposal is deemed to be rejected, and the creditors' meeting concluded, if–

(a) the creditors fail to pass one of the resolutions specified in sub-section (1); or

(b) the creditors' meeting is not held on the date for which it was called or to which it was adjourned.

(4) Where a meeting of creditors is adjourned, the chairman shall forthwith file a notice of the adjournment with the High Court and the High Court may, on the application of the debtor or the interim supervisor, extend the period for which the moratorium order is in force for such further period as it may specify for the purpose of enabling the adjourned meeting to be held and for the result to be reported to the High Court.

(5) References in this section and section 60 to a meeting include, where the meeting is adjourned, an adjourned meeting.

Amendment or withdrawal of proposal at creditors' meeting.

60.–(1) Where, at a meeting held under section 59, the creditors wish to approve an amended proposal that has not been amended in accordance with section 50, the meeting shall be adjourned for sufficient time to enable the chairman of the meeting to give all creditors not present or represented at the meeting at least 2 business days' notice–

(a) of the venue of the adjourned meeting; and

(b) of the amended proposal to be considered at the adjourned meeting.

(2) Where a meeting is adjourned under sub-section (1), section 59 applies to the adjourned meeting.

(3) Sub-section (1) does not apply–

(a) if every creditor who was given notice of the meeting under section 58 is present or represented at the meeting; or

(b) if the chairman certifies in writing that an amendment is to correct minor errors or is otherwise not material.

(4) The debtor may withdraw a proposal at a creditors' meeting called under section 58 in accordance with the Regulations.

Report of decisions to High Court.

61.–(1) The chairman of a creditors' meeting called under section 58 shall, within 4 business days of the date of the conclusion of the meeting–

(a) file with the High Court a report of the meeting complying with sub-section (2);

(b) file a notice of the arrangement with the Official Receiver; and

(c) if the debtor is a regulated entity, file notice of the arrangement with the Commission.

(2) A report filed under sub-section (1)*(a)* shall–

(a) state whether the proposal was approved or rejected or withdrawn and, if approved, with what modifications, if any;

(b) set out the resolutions put to the meeting, and the decision on each one;

(c) list the creditors, with their respective values, who were present or represented at the meeting; and

(d) include such further information, if any, that the chairman considers should be made known to the High Court.

(3) If a report filed under sub-section (1)*(a)* states that the meeting has rejected the proposal or that it was withdrawn by the debtor under section 60(4), any moratorium order in force is discharged with effect from the end of the fourth business day after the conclusion of the meeting unless the High Court otherwise orders.

(4) The chairman of the meeting shall, as soon as practicable after filing his report with the High Court, send a notice stating the result of the meeting to all creditors of the debtor.

(5) A person who contravenes sub-section (1) or sub-section (4) commits an offence.

Effect of approval.

62.–(1) Where the meeting of creditors called under section 58 approves the proposed arrangement, the arrangement–

(a) takes effect as if made by the debtor at the meeting; and

(b) is binding on the debtor and each creditor of the debtor as if he were a party to the arrangement.

(2) For the purposes of sub-section (1), a person is a creditor of the debtor if he has a claim against the debtor that would be an admissible claim in the bankruptcy of the debtor commencing at the time of the approval of the arrangement.

(3) If–

(a) when the arrangement ceases to have effect any amount payable under the arrangement to a person bound by the arrangement has not been paid; and

(b) the arrangement did not come to an end prematurely,

the debtor shall, at that time, become liable to pay to that person the amount payable under the arrangement.

(4) For the purposes of sub-section (3), an arrangement comes to an end prematurely if, when it ceases to have effect, it has not been fully implemented in respect of all persons bound by the arrangement.

(5) Subject to section 72, any moratorium order in force in relation to the debtor immediately before the end of the period of 28 days beginning with the day on which the report with respect to the creditors' meeting was filed with the High Court under section 61 ceases to have effect at the end of that period.

(6) Where proceedings on an application for a bankruptcy order have been stayed by a moratorium order which ceases to have effect under sub-section (5), that application is deemed, unless the High Court otherwise orders, to have been dismissed.

Supervisor to be given possession of assets included in arrangement.

63. After the approval of an arrangement the debtor shall forthwith take all necessary steps to put the supervisor into possession of the assets included in the arrangement.

Supervisor's duty to keep accounting records.

64.–(1) Where an arrangement permits or requires the supervisor–

(a) to carry on the debtor's business or trade on his behalf or in his name;

(b) to realise assets of the debtor; or

(c) otherwise to administer or dispose of any of the debtor's funds,

the supervisor shall keep accounting records that correctly record and explain the receipts, expenditure and other transactions relating to the supervisor's acts and dealings in and in connection with the arrangement.

(2) The supervisor shall retain the accounting records kept under sub-section (1) for a period of not less than 6 years after the termination of the arrangement.

(3) A supervisor who contravenes this section commits an offence.

Supervisor to prepare and send out regular accounts and reports.

65.–(1) The supervisor shall prepare accounts of his receipts and payments, if any, and reports concerning the progress and efficacy of the arrangement covering the periods specified in sub-section (2).

(2) The accounts and reports prepared under sub-section (1) shall cover–

(a) the period of 12 months following the supervisor's appointment;

(b) each subsequent period of 12 months; and

(c) where the supervisor ceases to act as supervisor–

(i) the period from the end of the period covered by the last accounts required to be prepared under this section, or if he

acted as supervisor for less than 12 months from the date of his appointment, to the date of his ceasing to act; and

(ii) the period from the date of his appointment to the date of his ceasing to act, unless prepared in accordance with sub-paragraph *(i)*.

(3) The supervisor shall, within 60 days of the last day of the period covered by the accounts–

(a) file a copy of the accounts and his report with the High Court; and

(b) send a copy of the accounts and his report to–

(i) the Official Receiver;

(ii) the debtor; and

(iii) each creditor of the debtor who is bound by the arrangement.

(4) A supervisor who contravenes this section commits an offence.

Completion or premature termination of arrangement.

66.–(1) Where an arrangement is completed or terminated prematurely, the supervisor shall, within 28 days of its completion or termination, file a notice of completion or termination with the High Court and send a copy of the notice to the debtor and to each creditor of the debtor who is bound by the arrangement.

(2) Where an arrangement is completed or terminated, the report prepared under section 65(2) shall explain any difference between the implementation of the agreement and the proposal approved by the creditors.

(3) A supervisor who contravenes this section commits an offence.

Supervisor may propose modification of arrangement.

67.–(1) In this section and in section 68–

(a) "creditor", in relation to an arrangement, means a creditor bound by that arrangement; and

(b) "proposal" means a proposal to modify an arrangement.

(2) If the supervisor of an arrangement considers it appropriate, he may propose a modification of the arrangement at a meeting of creditors called for such a purpose.

(3) The supervisor shall call a meeting of creditors under sub-section (2) by sending to each creditor–

(a) a notice of the meeting; and

(b) a written report on the proposed modification complying with the Regulations.

(4) The supervisor shall send a copy of the notice of the meeting and his report on the proposed modification to the debtor.

Modification of arrangement.

68.–(1) Subject to the exceptions specified in the Regulations, sections 59 and 61 and the relevant Regulations apply, with suitable modifications, to a meeting called under section 67.

(2) Where a proposal to modify an arrangement is approved–

(a) the modified arrangement is binding on the debtor and on each creditor of the debtor as if he had agreed to the modification; and

(b) the provisions of this Sub-Part applicable to an arrangement apply to the modified arrangement.

(3) An arrangement may not be modified otherwise than in accordance with section 67 and this section.

Appointment of interim supervisor or supervisor.

69.–(1) The High Court may, on an application made by a person and in the circumstances specified in sub-section (2), order that an eligible insolvency practitioner, is appointed as supervisor or interim supervisor either in substitution for the existing supervisor or interim supervisor or to fill a vacancy.

(2) An application under sub-section (1) may be made–

(a) where the interim supervisor has failed to submit the report required by section 56, on the application of the debtor;

(b) where the supervisor or interim supervisor has failed to comply with a duty imposed upon him under this Sub-Part or has died, by the debtor;

(c) where it is impracticable or inappropriate for the existing supervisor or interim supervisor to continue to act, by the debtor or by the supervisor or interim supervisor; or

(d) where the licence of the supervisor or interim supervisor is suspended or revoked, by the Official Receiver.

(3) An order under sub-section (1) may increase the number of persons acting as supervisor or interim supervisor or replace one or more of those persons.

Application in respect of moratorium.

70.–(1) Where a moratorium order is or has been in force in respect of a debtor, the High Court may, on an application made by the debtor, by the supervisor or interim supervisor,

by a creditor, by a person affected by the moratorium or, where the individual is a regulated entity, by the Commission–

(a) give directions to the supervisor or interim supervisor in relation to any matter arising in connection with the moratorium;

(b) confirm, reverse or modify any act or decision of the supervisor or interim supervisor;

(c) terminate the moratorium order and make such consequential provisions as it considers fit; or

(d) make such other order, whether in relation to the supervisor or interim supervisor, the debtor or otherwise as it considers fit.

(2) Without limiting sub-section (1)(d), an order under that sub-section–

(a) may require the debtor to refrain from doing or continuing an act complained of by the applicant, or to do an act that the applicant has complained he has omitted to do;

(b) may require the calling of a meeting of creditors for the purpose of considering such matters as the High Court may direct; and

(c) may make such provision as the High Court considers necessary to protect the interests of one or more creditors in the period during which the moratorium order is in force.

(3) An application under sub-section (1) may be made during the period in which the moratorium order is in force or after the moratorium order has been discharged.

(4) In making an order under this section, the High Court shall have regard to the need to safeguard the interests of persons who have dealt with the debtor in good faith and for value.

Application where arrangement approved or modified.

71.–(1) Where an arrangement is approved or modified, the High Court may, on an application made by a person specified in sub-section (2)–

(a) give directions to the supervisor in relation to any matter arising in connection with the arrangement;

(b) confirm, reverse or modify any act or decision of the supervisor; or

(c) make such other order as it considers fit.

(2) Application under sub-section (1) may be made by the supervisor, by the debtor, by a creditor of the debtor, by a surety of a liability of the debtor, by a co-debtor of the debtor, by a person affected by the arrangement or, where the individual is a regulated entity, by the Commission.

Application on grounds of unfair prejudice.

72.–(1) An application may be made by a person specified in sub-section (2) for an order under sub-section (3) on one or both of the following grounds–

(a) that an arrangement approved or modified by the creditors at a meeting called under section 58 unfairly prejudices the interests of a creditor, surety or co-debtor; or

(b) that there has been a material irregularity at or in relation to the meeting at which the arrangement was approved or modified.

(2) An application for an order under sub-section (1) may be made by–

(a) the debtor;

(b) the supervisor or the person who, immediately prior to the approval of the arrangement, acted as interim supervisor;

(c) a creditor, surety or co-debtor of the debtor; or

(d) where the individual is a regulated entity, the Commission.

(3) Where it is satisfied as to either of the grounds specified in sub-section (1), the High Court may–

(a) revoke or suspend–

(i) any decision approving or modifying the arrangement; or

(ii) any decision taken at a meeting at or in relation to which there was a material irregularity;

(b) give a direction to any person–

(i) for the calling of a further meeting to consider any amended proposal for an arrangement that the supervisor or the debtor may make;

(ii) for the calling of a further meeting to consider any amended proposal for a modification of the arrangement that the supervisor may make;

(iii) where there has been a material irregularity, for the calling of a further

creditors' meeting to reconsider the proposal for the arrangement or for the modification of an arrangement.

(4) Where at any time after giving a direction under sub-section (3)*(b)(i)*, the High Court is satisfied that the debtor does not intend to submit an amended proposal, the High Court shall revoke the direction and revoke or suspend any decision approving the arrangement or the modification of the arrangement.

(5) Where the High Court, on an application under this section gives a direction under sub-section (3)*(b)* or revokes or suspends a decision under sub-section (4), the High Court may–

(a) direct that any moratorium order in place be continued or, if it has ceased to have effect, be renewed for such further period as the High Court may order; and

(b) give such supplemental directions as it considers fit and, in particular, directions with respect to things done under the arrangement since it took effect.

(6) Except as provided in this section, a decision taken at a meeting called under section 58 or section 67 is not invalidated by any irregularity at or in relation to the meeting.

(7) Without limiting sub-section (1)*(a)*, the interests of a member, creditor, surety or co-debtor of the debtor are capable of being unfairly prejudiced on the grounds that the remuneration paid or to be paid to the supervisor is excessive.

(8) Subject to sub-section (9), no application under this section shall be made after the arrangement has been completed or has prematurely terminated.

(9) A creditor who did not participate in the approval of an arrangement may make an application under this section after the completion of an arrangement if, when the arrangement was completed, he was unaware of the arrangement.

(10) An application under sub-section (9) shall be made within 4 weeks of the creditor first becoming aware of the arrangement.

(11) For the purposes of this section, a creditor does not participate in the approval of an arrangement if, for whatever reason–

(a) the creditor was not given notice of the meeting of creditors called to consider the proposal; and

(b) the creditor did not attend the meeting at which the arrangement was approved, whether in person or by proxy.

Register of arrangements.

73.–(1) The Official Receiver shall maintain a register of arrangements made under this Sub-Part and shall record in the register all matters that are required to be reported to him under this Sub-Part or under the corresponding Sub-Part in the Regulations.

(2) A member of the public is entitled to inspect the register maintained under sub-section (1) on payment of the prescribed fee.

False representations etc.

74.–(1) A debtor who makes any false representation or who fraudulently does, or omits to do, anything for the purpose of obtaining the approval of his creditors to an arrangement commits an offence.

(2) Sub-section (1) applies whether or not the proposal is approved.

PART III

Administration

Interpretation and scope of this Part.

75.–(1) In this Part–

"interested person" means–

(a) in relation to a security interest, the person entitled to the security interest or any receiver appointed under the security interest;

(b) in relation to an asset not belonging to a company which is used or occupied by or in the possession of the company, the owner or lessor of the asset;

(c) in relation to proceedings, execution or legal process, including distress, a person who is entitled to commence or continue the proceedings, execution or legal process or levy the distress; and

(d) in relation to a guarantee of a liability of the company, the person entitled to enforce the guarantee; and

"moratorium period" is the period specified in section 82(1).

(2) An administration order may not be made in respect of a foreign company.

Meaning of administration order.

76.–(1) An administration order is an order directing that, during the period for which the order is in force, the business, assets and affairs of a company shall be managed by an administrator appointed by the High Court with a view to achieving one or more of the following purposes–

(a) the rehabilitation of the company or of one or more companies in a group of companies of which the company is a member;

(b) the survival of all or any part of the company's undertaking as a going concern;

(c) a better return for the company's creditors than would result from an immediate liquidation;

(d) the approval of a creditors' arrangement under Part II;

(e) to facilitate an application, or the provision of cooperation, under Part XVIII or Part XIX.

(2) Where an administration order is made in respect of a company, that company is referred to in this Act as "in administration" until the discharge of the order.

(3) For the purposes of sub-section (1)*(a)* a "group of companies" comprises a holding company and its subsidiaries.

(4) In sub-section (3), "company" means any body corporate.

High Court may make an administration order.

77.–(1) Subject to sub-sections (3) and (4), section 78(2) and section 79(2), the High Court may, on application by a person specified in sub-section (2), make an administration order in respect of a company if–

(a) it is satisfied that the company is or is likely to become insolvent; and

(b) it considers that there is a reasonable prospect that the making of the order will achieve one or more of the purposes specified in section 76(1).

(2) Application for an administration order may be made by one or more of the following–

(a) the company, or the board of the company;

(b) a creditor;

(c) the supervisor of an arrangement in respect of the company;

(d) the Commission, where the company–

(i) is or has been a regulated entity; or

(ii) is carrying on, or has carried on, unlicensed financial services business; and

(e) in the case of a company conducting business as a bank, financial institution, insurance company or credit union duly licensed under an enactment authorizing such business under the laws of Belize, the relevant supervisory authority.

(3) An application for an administration order shall be served not less than 7 business days prior to the date fixed for the hearing–

(a) on any person who has appointed or is or may be entitled to appoint an administrative receiver for the company;

(b) if an administrative receiver has been appointed, on him;

(c) if the application is made by any person other than the company, on the company;

(d) if an application has been made for the appointment of a liquidator of the company, on

the applicant and on any provisional liquidator of the company;

(e) on the Commission if–

(i) the company is or has been a regulated entity; and

(ii) the applicant is not the Commission; and

(f) on any other person prescribed by the Regulations.

(4) Without limiting section 509(2)*(b)*, an administration order shall not be made unless service of the application has been effected on the persons specified in sub-section (3)*(a)* to *(f)*.

(5) The High Court shall not abridge the time period specified in sub-section (3) in respect of a person specified in sub-section (3)*(a)* without that person's consent.

(6) An application for an administration order may not be withdrawn except with the leave of the High Court.

Powers of High Court on hearing of application for administration order.

78.–(1) Subject to sub-section (2), on the hearing of an application for an administration order, the High Court may–

(a) make an administration order in respect of the company;

(b) dismiss the application;

(c) adjourn the hearing conditionally or unconditionally;

(d) make any interim order or other order that it considers fit; or

(e) treat the application as an application for the appointment of a liquidator and make any order that it could make under section 166.

(2) Subject to section 79, an application for an administration order shall be dismissed if–

(a) the company is in liquidation;

(b) the High Court is satisfied that a qualifying administrative receiver has been appointed for the company who, in accordance with section 142(2) is entitled to act, unless the High Court is also satisfied–

(i) that the person by whom or on whose behalf the administrative receiver was appointed consents to the making of an order; or

(ii) that any security interest under which the administrative receiver was appointed would, if an administration order was made, be liable to be set aside as a voidable transaction under Part VII; or

(3) For the purposes of sub-section (2), an administrative receiver is a qualifying administrative receiver if–

(a) that administrative receiver is a licensed insolvency practitioner, whether or not he has been appointed to act jointly with an overseas insolvency practitioner, within the meaning of section 496; and

(b) notice of administrative receiver's appointment has been filed with the Registrar under section 117(1) no later than the day before the date of the hearing of the application.

(4) Where the High Court makes an administration order it shall, at the same time, appoint an eligible insolvency practitioner to be the administrator of the company.

(5) If the High Court makes an order under sub-section (1), it shall give directions as to the persons to whom, and how, notice is to be given.

Application where company in liquidation.

79.–(1) The liquidator of a company may apply to the High Court for an administration order.

(2) If the High Court makes an administration order on the application of the liquidator of a company–

(a) the High Court–

(i) shall discharge the order appointing the liquidator;

(ii) shall make provision for such matters as may be prescribed;

(iii) may make such consequential provision as it considers appropriate; and

(iv) shall specify which of the powers of an administrator are to be exercisable by the administrator; and

(b) this Part has effect with such modifications as the High Court may specify.

Effect of administration order.

80. Where the High Court makes an administration order–

(a) any application for the appointment of a liquidator shall be dismissed; and

(b) any administrative receiver of the company is deemed to have vacated office.

Notification and advertisement of administration order.

81.–(1) Where an administration order is made, the administrator shall—

(a) forthwith, after the making of the order, give notice of his appointment to–

(i) any person who has appointed, or who is or may be entitled to appoint, an administrative receiver of the company;

(ii) any administrative receiver who has been appointed;

(iii) if an application for the appointment of a liquidator is pending, to the applicant and to any provisional liquidator that may have been appointed; and

(iv) such other person as may be prescribed by the Regulations;

(b) within 5 days of the making of the order–

(i) advertise the order and his appointment as administrator; and

(ii) file a notice of his appointment together with a sealed copy of the order with the Registrar and, if the company in administration is or has been a regulated entity, with the Commission; and

(c) within 28 days of the order, send a notice in the prescribed form to the company and to every creditor of the company.

(2) An administrator who, without reasonable excuse, fails to comply with sub-section (1) commits an offence.

Moratorium period.

82.–(1) Subject to sub-section (2), a moratorium period in respect of a company commences on the filing of an application for an administration order and terminates on–

(a) the dismissal of the application for an administration order; or

(b) if an administration order is made, upon the discharge of that order.

(2) If an application for an administration order is filed at a time when an administrative receiver of the company is in office and the person by or on whose behalf the administrative receiver was appointed has not consented to the making of an order, the moratorium period does not commence unless and until–

(a) that person so consents in writing;

(b) the administrative receiver vacates or is deemed to vacate office; or

(c) an administration order is made.

Effect of moratorium.

83.–(1) Subject to sub-sections (3), (4) and (5), during the moratorium period–

(a) no order may be made and, notwithstanding paragraph *(f)*, no resolution may be passed for the appointment of a liquidator or a provisional liquidator;

(b) no steps may be taken to enforce any security interest over the company's assets, except with the leave of the High Court or, if the company is in administration, with the consent of the administrator;

(c) except with the leave of the High Court or, if the company is in administration, with the consent of the administrator, no steps may be taken to repossess assets that are being used or occupied by or are in the possession of the company, including–

(i) goods supplied under a hire purchase, conditional sale or chattel leasing agreement; and

(ii) goods supplied subject to a retention of title agreement;

(d) no proceedings, execution or other legal process may be commenced or continued, or distress levied against the company or its assets except with the leave of the Court or, if the company is in administration, with the consent of the administrator;

(e) no share may be transferred, and no alteration may be made in the status of the members of the company, whether by an amendment of the articles or in any shareholders' or members' agreement or otherwise, except with the leave of the High Court; and

(f) no resolution of the members may be passed except with the leave of the High Court or, if the company is in administration, with the consent of the administrator.

(2) On an application for leave under sub-section (1)*(b)* to *(f)*, the High Court may grant leave subject to such terms and conditions as it considers fit.

(3) During the period beginning with the commencement of the moratorium period and ending with the making of an administration order, sub-section (1) does not prevent the appointment of an administrative receiver of the company, or require the leave of the High Court for the appointment of an administrative receiver or limit or affect the carrying out by an administrative receiver of his functions.

(4) Sub-section (1) does not prevent, or require the leave of the High Court to be obtained for–

(a) the enforcement of a charge on assets belonging to a company if, before the commencement of the moratorium period, an interested person lawfully–

(i) entered into possession or assumed control of the assets; or

(ii) entered into a binding agreement to sell the assets, for the purpose of enforcing the charge on those assets;

(b) the repossession of assets being used or occupied by or in the possession of a company if, before the commencement of the moratorium period, an interested person lawfully entered into possession, or assumed control of those assets;

(c) the exercise by a creditor of any set-off that he would have been entitled to exercise under section 149 if the company was in liquidation, the liquidation having commenced at the time that the moratorium period commenced; or

(d) the filing of an application for the appointment of a liquidator under Part VI.

(5) Notwithstanding sub-section (1)*(a)*, the High Court may make an order during the moratorium period–

(a) appointing a liquidator on the grounds specified in section 161(1)*(c)*; or

(b) appointing a provisional liquidator on an application for the appointment of a liquidator on the grounds specified in section 161(1)*(c)*.

(6) On making an order under sub-section (5), the High Court shall either–

(a) discharge the administration order and make such consequential provision as it considers fit; or

(b) order that the appointment of the administrator shall continue to have effect.

(7) If the High Court makes an order under sub-section (6)*(b)*, it may also–

(a) specify which of the powers of an administrator are to be exercisable by the administrator;

(b) order that this Part has effect with such modifications as the High Court may specify; and

(c) make such consequential provision as it considers fit.

Preservation of charged and other assets.

84.–(1) During the period beginning with the commencement of the moratorium period in respect of a company and ending with the making of an administration order against it or the dismissal of the application, the company may not, without the written consent of the interested person concerned, or the

leave of the High Court granted under section 83, dispose of or otherwise deal with–

(a) any assets subject to a charge, other than a floating charge;

(b) any assets subject to a floating charge, otherwise than in the ordinary course of business; or

(c) any assets in the company's use, occupation or possession of which another person is the owner or lessor, including–

(i) goods supplied under a hire purchase, conditional sale or chattel leasing agreement; and

(ii) subject to sub-section (2), goods supplied subject to a retention of title agreement.

(2) Sub-section (1)*(c)(ii)* does not prevent a company disposing of or dealing with goods supplied subject to a retention of title agreement in the ordinary course of business.

(3) A company that contravenes sub-section (1) commits an offence.

Disposal of perishable assets during moratorium period.

85.–(1) This section applies during the period beginning with the commencement of the moratorium period and ending with–

(a) the making of an administration order; or

(b) the dismissal of the application for an administration order.

(2) Where any assets referred to in section 84(1) are perishable assets, the High Court may, on the application of the company, make an order permitting the company to dispose of those assets.

(3) Where the High Court makes an order under sub-section (2) permitting a company to dispose of assets that are subject to a floating charge, the holder of the security interest has the same priority in respect of any assets of the company directly or indirectly representing the assets disposed of as he would have had in respect of the assets subject to the security interest.

(4) It shall be a condition of an order made under sub-section (2) permitting a company to dispose of assets referred to in section 84(1) that are not subject to a floating charge, that–

(a) the net proceeds of the disposal; and

(b) if those proceeds are less than such amount as the High Court may determine, or as may be agreed, to be the fair market value of the assets disposed of, the sum required to make good the deficiency, shall be applied towards discharging the sums payable to the interested person concerned.

(5) Where a condition under sub-section (4) relates to two or more security interests, the net proceeds of the disposal and any sum required to be paid under sub-section (4)*(b)* shall be applied towards discharging the sums secured by those security interests in the order of their priorities.

(6) Where the High Court makes an order under sub-section (2) it may make such consequential orders as it considers fit, including–

(a) giving directions as to the conduct of the disposal;

(b) making provision for the protection of the proceeds of the disposal.

(7) Where an order is made under sub-section (2), the company shall, within 14 days of the date of the order, file with the Registrar a notice in the prescribed form together with a sealed copy of the order.

(8) A company commits an offence if it–

(a) contravenes sub-section (7), without reasonable excuse; or

(b) fails to comply with a condition imposed under this section.

General duties of administrator.

86.–(1) An administrator shall, on his appointment, take into his custody or under his control the assets to which the company in administration is or appears to be entitled.

(2) The administrator shall manage the business, assets and affairs of the company–

(a) in furtherance of the purposes set out in the administration order;

(b) after the approval of proposals under section 102, in accordance with those proposals; and

(c) in accordance with any directions that may be given by the High Court.

(3) In performing his functions and undertaking his duties under this Act, an administrator acts as an officer of the High Court.

(4) Whilst a company is in administration, the directors and other officers of the company remain in office and their powers, functions and duties continue except to the extent that–

(a) they are inconsistent with the powers, functions and duties of the administrator; or

(b) the administrator otherwise directs in writing.

(5) Notwithstanding sub-section (4), a director may exercise a power inconsistent with the powers, functions and duties of the administrator if the administrator authorises the exercise of that power in writing.

(6) Any power conferred on the company in administration whether by an enactment, its articles or otherwise, which could be exercised so as to interfere with the exercise by the administrator of his powers, shall not be exercised without the written consent of the administrator.

Duty to prepare report.

87.–(1) The administrator of a company shall, within 60 days of the commencement of the administration, prepare a report as to whether, in his opinion, further enquiries are desirable with respect to–

(a) any matter relating to the promotion, formation or insolvency of the company or the conduct of the business or affairs of the company; and

(b) possible claims under sections 246 to 248.

(2) The administrator shall send a copy of the report prepared under sub-section (1)–

(a) to each creditor of the company; and

(b) if in his report he states that further enquiries are desirable with respect to a matter referred to in sub-section (1), to the Official Receiver.

Duty to report to Commission.

88.–(1) Subject to sub-section (2), if it appears to the administrator of a company that the company is carrying on

or has carried on unlicensed financial services business, he shall as soon as reasonably practicably report the matter to the Commission.

(2) Sub-section (1) does not apply where the administration order was made on the application of the Commission.

(3) Where the administrator makes a report to the Commission under sub-section (1) the administrator shall, for the purposes of section 104, treat the company as if it was a regulated entity.

General powers of administrator.

89.–(1) The administrator of a company may–

(a) remove any director of the company;

(b) appoint a person to be director of the company, whether to fill a vacancy or not;

(c) call a meeting of the members or the creditors of the company;

(d) require a receiver, other than a qualifying administrative receiver, to vacate office;

(e) do anything necessary for the management of the business, assets and affairs of the company;

(f) apply to the High Court for directions in respect of the administration of the company;

(g) use the company's seal; and

(h) do all acts on behalf of the company and execute any deed, receipt or other document in the name of the company.

(2) Without limiting sub-section (1), the administrator has the powers specified in Schedule I. **Schedule I.**

(3) The following persons are not concerned to inquire whether the administrator is acting within his powers–

(a) a person dealing with the administrator in good faith and for value; and

(b) a person who acquires any interest in assets of the company in administration from a person referred to in paragraph *(a)* in good faith and for value.

(4) The acts of an administrator of a company are valid notwithstanding any defect in his nomination, appointment or qualifications.

(5) Where a receiver is required to vacate office under sub-section (1)*(d)* the High Court, on the application of the administrator or the receiver, may make such directions as it considers appropriate, including directions as to–

(a) the terms upon which assets are to be passed to the administrator;

(b) the payment of the debts of preferential creditors; and

(c) the payment of the remuneration of the receiver.

Power to deal with assets subject to floating charge.

90.–(1) The administrator of a company may dispose of any assets of the company that are subject only to a floating charge, whether or not the charge has crystallised.

(2) Where assets are disposed of or otherwise dealt with under sub-section (1), the holder of the security interest has the same priority in respect of any assets of the company

directly or indirectly representing the assets disposed of as the holder of the security interest would have had in respect of the assets subject to the security interest.

Application to High Court to deal with other charged assets.

91.–(1) The High Court may, on the application of the administrator, make an order authorising the administrator to dispose of–

(a) assets of the company that are subject to a security interest that is not a floating charge; and

(b) assets that are being used or occupied by or in the possession of the company but of which some other person is the owner or lessor, including–

(i) goods supplied under a hire purchase, conditional sale or ; and

(ii) goods supplied subject to a retention of title agreement, if it considers that the disposal of the assets, with or without other assets, would be likely to promote one or more of the purposes specified in the administration order.

(2) The administrator shall give 5 business days' notice of an application under sub-section (1) to–

(a) the holder of the charge over; or

(b) the owner or lessor of, the assets in respect of which the application is made.

(3) It shall be a condition of an order under sub-section (1) that–

(a) the net proceeds of the disposal; and

(b) if those proceeds are less than such amount as the High Court may determine, or as may be agreed, to be the fair market value of the assets disposed of, the sum required to make good the deficiency, shall be applied towards discharging the sums payable to the interested person concerned.

(4) Where a condition under sub-section (3) relates to two or more security interests, the net proceeds of the disposal and any sum required to be paid under sub-section (3)*(b)* shall be applied towards discharging the sums secured by those security interests in the order of their priorities.

(5) Where an order is made under sub-section (1), the administrator shall–

(a) forthwith serve a sealed copy of the order on the holder of the charge or the owner or lessor of the goods, as the case may be; and

(b) within 14 days of the date of the order, file a notice in the prescribed form with the Registrar.

(6) An administrator commits an offence if the administrator–

(a) contravenes sub-section (5), without reasonable excuse; or

(b) fails to comply with a condition imposed under this section.

92. When performing a function or exercising a power as administrator of a company in administration, the administrator acts as the company's agent.

Administrator as agent of company.

Removal and resignation of administrator.

93.–(1) The High Court may, on the application of the creditors' committee, a creditor or the Official Receiver or on its own motion, remove an administrator from office.

(2) An administrator–

(a) may resign in such circumstances as may be prescribed or with the leave of the High Court; and

(b) shall resign if he ceases to be an eligible insolvency practitioner.

(3) Unless, in accordance with this section, he has previously resigned or been removed from office, an administrator ceases to hold office with effect from the date that an administration order is discharged.

Appointment of replacement administrator.

94.–(1) Where the administrator of a company dies or is removed or resigns under section 93 or is otherwise unable to perform the administrator's functions and no administrator is appointed in his place, the High Court, on the application of a person specified in sub-section (2) or on its own motion–

(a) if there is at least one administrator remaining in place, may appoint an eligible insolvency practitioner as administrator in his place; or

(b) if the administrator who has died or is removed or resigned was the sole administrator of the company, shall appoint an eligible insolvency practitioner in his place.

(2) An application under sub-section (1) may be made–

(a) by any continuing administrator;

(b) by the creditor's committee, if any;

(c) where there is no administrator or no creditor's committee, by the company in administration, the board of the company or a creditor of the company; or

(d) by the Official Receiver.

(3) The provisions of this Act and the Regulations applicable to giving notice of and advertising an administration order apply to an order of the High Court filling a vacancy under sub-section (1).

Remuneration of administrator.

95.–(1) The administrator of a company is entitled to receive remuneration for his services as administrator.

(2) The remuneration payable to an administrator shall be fixed applying the principles set out in section 448.

Administrator to have charge over assets of company.

96.–(1) The administrator and, where he has vacated office, the former administrator, has the following charges on the assets of the company in his possession or control or, in the case of a former administrator, that were in his possession or control immediately before vacating office–

(a) a first ranking charge for any sums payable in respect of debts or liabilities incurred during the administration of the company, under contracts entered into by him or a predecessor of hiss in the carrying out of the functions of administrator; and

(b) a second ranking charge for his remuneration.

(2) Subject to sub-section (3), the charges specified in sub-section (1)–

(a) rank in priority to any floating charge to which the assets of the company may be subject; and

(b) continue to subsist after the termination of the administration.

(3) Where a debenture or other instrument creates a fixed charge or a floating charge over the assets of a company, sub-section (2)*(a)* does not apply to any assets of the company that are subject to the fixed charge.

(4) For the purposes of sub-section (1)*(a)*–

(a) any action taken or omitted to be taken within the period of 14 days after an administrator's appointment shall not be taken to amount or contribute to the adoption of a contract; and

(b) an administrator is deemed to have adopted a contract of employment if notice of the termination of the contract is not given within 14 days after the date of his appointment.

(5) A liability arising out of a contract of employment adopted by an administrator, or his predecessor, is a debt or liability for the purposes of sub-section (1)*(a)* if–

(a) it is a liability to pay a sum by way of wages or salary or a contribution to an occupational pension scheme; and

(b) it is in respect of services rendered wholly or partly after the adoption of the contract, but not otherwise.

(6) For the purposes of sub-section (5)–

(a) wages or salary payable in respect of a period of holiday or absence from work through sickness or other good cause are deemed to be wages of salary in respect of services rendered in that period;

(b) a sum payable *in lieu* of holiday is deemed to be wages or salary in respect of services rendered in the period by reference to which the holiday entitlement arose; and

(c) that part of the liability representing payment in respect of services rendered before the adoption of the contract of employment shall be disregarded.

Release of administrator.

97.–(1) A person who ceases to be the administrator of a company, may apply to the High Court for his release and the High Court may grant the release unconditionally or upon such conditions as it considers proper, or it may withhold it.

(2) If the High Court withholds the release, it may make a compensation order against the former administrator under section 246.

(3) Subject to sub-section (5), where a former administrator is released under this section, he is discharged from all liability in respect of any act or default of hiss in relation to the administration of the company.

(4) An order for the release of a former administrator may be revoked by the High Court if the release was obtained by fraud or the suppression or concealment of any material fact.

(5) Sub-section (3) does not prevent the High Court from making an order under section 246 against an administrator who has been released under this section.

(6) An administrator who obtains his release under this section shall file a notice in the prescribed form with the Registrar.

Statement of affairs.

98.–(1) In this section, "relevant person" has the meaning set out in section 267.

(2) The administrator of a company may require one or more relevant persons to prepare and submit to him a statement of affairs.

(3) Subject to section 272, the administrator shall file with the High Court each statement of affairs and each affidavit of concurrence that he receives.

Administrator's proposals and creditors' meeting.

99.–(1) Subject to sub-section (3), the administrator shall–

(a) prepare a report setting out his proposals for the achievement of one or more of the purposes in the administration order;

(b) call a meeting of creditors for a date no later than 60 days after the date of the administration order for the purpose of considering whether to approve his proposals;

(c) send a copy of his report, to each creditor together with the notice of the meeting;

(d) send a copy of the notice calling the meeting and his report to each member of the company or advertise the meeting and report in accordance with the Regulations;

(e) file a copy of the notice calling the meeting together with his report with the Registrar; and

(f) cause the creditors' meeting to be advertised.

(2) The report prepared by the administrator under sub-section (1)*(a)* shall contain the matters prescribed by the Regulations.

(3) The administrator is not required to call a meeting of creditors under sub-section (1)*(b)* where–

(a) the administrator is of the opinion that the company has sufficient assets to enable each creditor of the company to be paid in full; and

(b) the report prepared under sub-section (1)*(a)* contains a statement that–

(i) the administrator is of the opinion that the company has sufficient assets to enable each creditor of the company to be paid in full; and

(ii) the administrator does not intend to call a meeting of creditors under this section.

(4) Notwithstanding sub-section (3), if requested to do so by creditors whose debts amount to at least 10% in value of the total debts of the company, the administrator shall call a meeting of creditors to be held no later than 30 days after the date upon which he receives the request.

(5) A request for a meeting under sub-section (4) shall be delivered to the administrator in the manner and within the period prescribed.

(6) An administrator who contravenes sub-section (1) commits an offence.

Attendance at meeting of directors and others.

100.–(1) If the administrator considers that it is reasonable to require the presence at a creditors' meeting called under section 99 of a person specified in sub-section (4), the administrator may, by notice, require the person to attend.

(2) In determining whether it is reasonable to require a person to attend the creditors' meeting, the matters that the administrator shall have regard to include–

(a) the likely benefits of the person's attendance;

(b) the travel and associated expenses that will be incurred by him in attending the meeting, unless the administrator is prepared to pay those expenses;

(c) the distance that he would be required to travel to attend the meeting; and

(d) the time that it would take him to travel to and from and attend the meeting.

(3) A notice under sub-section (1) requiring a person to attend a creditors' meeting shall be sent to that person at least 14 days prior to the date of the meeting and shall be accompanied by a copy of his report on his proposals.

(4) Sub-section (1) applies to any officer of the company and any person who, at any time during the 2 years prior to the date of the notice, was an officer of the company.

(5) A person commits an offence if–

(a) that person receives a notice to attend a creditors' meeting under sub-section (1); and

(b) without reasonable excuse, fails to attend the meeting.

(6) A person who commits an offence under sub-section (5) is liable to an administrative fine imposed by the Commission as set out in Regulations.

Consideration of proposals by creditors.

101.–(1) At the creditors' meeting convened under section 99, the creditors may resolve to–

(a) approve the administrator's proposals, with or without amendment;

(b) reject the proposals; or

(c) adjourn the meeting.

(2) A resolution to approve the administrator's proposals is invalid and of no effect if–

(a) the proposals have been amended without the consent in writing of the administrator; or

(b) the proposal has been amended otherwise than in accordance with section 102.

(3) The administrator shall, within 14 days of the conclusion of a meeting called under section 100–

(a) report the result of the meeting to the High Court and file a copy of that report with the Registrar; and

(b) send a notice setting out the result of the meeting to every creditor.

(4) The report and notice required under sub-section (3) shall have annexed to it details of–

(a) the proposals considered at the meeting and of any amendments to those proposals that were considered; and

(b) such proposals and amendments as were approved.

(5) If the creditors resolve not to approve the administrator's proposals or fail to pass one of the resolutions specified in sub-section (1), the High Court may, by order–

(a) discharge the administration order and make such consequential provisions as it considers fit;

(b) adjourn the hearing, conditionally or unconditionally; or

(c) make an interim order or any other order that it considers fit.

(6) An administrator who contravenes sub-section (3) commits an offence.

Amendment of proposals at creditors' meeting.

102.–(1) Where, at a meeting called under section 99, the creditors wish to approve an amended proposal, the meeting shall be adjourned for sufficient time to enable the administrator to give all creditors not present or represented at the meeting at least 2 business days' notice–

(a) of the venue of the adjourned meeting; and

(b) of the amended proposal to be considered at the adjourned meeting.

(2) Where a meeting is adjourned under sub-section (1), section 101 applies to the adjourned meeting.

(3) Sub-section (1) does not apply if–

(a) every creditor who was given notice of the meeting under section 99 is present or represented at the meeting; or

(b) the chairman of the meeting certifies in writing that an amendment is to correct minor errors or is otherwise not material.

Modification of proposals.

103.–(1) Where proposals have been approved under section 101 and the administrator subsequently considers that they should be substantially modified, the administrator shall–

(a) prepare a report setting out his proposed modifications;

(b) call a meeting of creditors for the purpose of considering the report;

(c) send a copy of his report to each creditor together with the notice of the meeting;

(d) send a copy of the notice convening the meeting together with his report to each member of the company or advertise the meeting and report in accordance with the Regulations;

(e) file a copy of the notice calling the meeting together with his report with the Registrar; and

(f) cause the creditors' meeting to be advertised.

(2) At the creditors' meeting referred to in sub-section (1), the creditors may resolve to–

(a) approve the administrator's proposed modifications to the proposals, with or without amendment;

(b) reject the proposed modifications; or

(c) adjourn the meeting.

(3) Section 101(2) applies to the creditors' approval of the administrator's proposed modifications to the proposal under this section and if the creditors wish to amend the administrator's proposed modifications, section 102 applies.

(4) The administrator shall, within 14 days of the date of the meeting held under sub-section (1)–

(a) report the result of the meeting to the High Court and file a copy of the report with the Registrar; and

(b) send a notice setting out the result of the meeting to every creditor.

(5) The report and notice required under sub-section (4) shall have annexed to it details of–

(a) the modifications to the proposal considered at the meeting and of any amendments to those modified proposals that were considered; and

(b) such proposals and amendments as were approved.

(6) An administrator who contravenes sub-section (4) commits an offence.

Commission's rights where company a regulated entity.

104. Where a company in administration is or has been a regulated entity–

(a) every notice or other document required to be sent to a creditor of the company under this Part shall also be sent to the Commission; and

(b) notice shall be given to the Commission of any application to the High Court under this Part in respect of the company.

Administrator's duty to keep accounting records.

105.–(1) An administrator shall keep accounting records that correctly record and explain the receipts, expenditure and other transactions of the company in administration.

(2) The administrator shall retain the accounting records kept under sub-section (1) for a period of not less than 6 years after the termination of the administration.

(3) An administrator who contravenes this section commits an offence.

Administrator to prepare and send out regular accounts and reports.

106.–(1) An administrator shall prepare–

(a) accounts of the receipts and payments of the company in administration; and

(b) a report on the progress of the administration, covering the periods specified in sub-section (2).

(2) The accounts and report prepared under sub-section (1) shall cover–

(a) the period of 6 months following his appointment;

(b) each subsequent period of 6 months; and

(c) where the administrator ceases to act as administrator–

(i) the period from the end of the period covered by the last accounts required to be prepared under this section, or if he acted as administrator for less than 6 months from the date of his appointment, to the date of his ceasing to act; and

(ii) the period from the date of his appointment to the date of his ceasing to act, unless prepared in accordance with sub-paragraph *(i)*.

(3) An administrator shall, within 60 days of the last day of the period covered by the accounts and report–

(a) file a copy of the accounts and report with the High Court and with the Registrar;

(b) send a copy of the accounts and report to each member of the creditors' committee, if any; and

(c) if the company is or has been a regulated entity file a copy of the accounts and report with the Commission.

(4) An administrator who contravenes this section commits an offence.

Notification.

107.–(1) Where a company is in administration, every document of a type specified in sub-section (2) shall–

(a) state that the company is in administration; and

(b) specify the name of the administrator.

(2) Sub-section (1) applies to–

(a) every public document issued by or on behalf of the company; and

(b) every public document issued by or on behalf of the administrator of the company on which the name of the company appears.

(3) A failure to comply with sub-section (1) does not affect the validity of the document.

(4) If sub-section (1) is contravened the company, and each officer or administrator of the company who causes, permits or acquiesces in the contravention, commits an offence.

Meetings of creditors.

108.–(1) The administrator shall call a meeting of creditors if–

(a) a meeting is requisitioned by the creditors of the company in accordance with sub-section (2); or

(b) the administrator is directed to do so by the High Court.

(2) A creditors' meeting may be requisitioned in accordance with the Regulations by 10% in value of the creditors of the company.

Discharge or variation of administration order.

109.–(1) The administrator of a company may, at any time, apply to the High Court for the administration order to be discharged or to be varied to add to or change the purposes specified in the administration order.

(2) An administrator shall make an application under sub-section (1) if–

(a) the administrator considers that the purposes specified in the order have been achieved or are incapable of achievement; or

(b) the administrator is required to do so by a meeting of creditors.

(3) On the hearing of an application under sub-section (1), the High Court may discharge or vary the administration order and make such consequential provision as it considers fit, or adjourn the hearing conditionally or unconditionally, or make an interim order or any other order it considers fit, including an order under section 110.

Appointment of liquidator or dissolution of company on discharge of administration order.

110.–(1) Where the High Court makes an order for the discharge of an administration order made in respect of a company and the High Court is satisfied that the company is insolvent–

(a) the High Court may make an order for the appointment of an eligible insolvency practitioner to be the liquidator of the company; or

(b) if it is satisfied that no useful purpose would be served by the appointment of a liquidator, the High Court may dissolve the company.

(2) The High Court may appoint the administrator of a company to be the liquidator under sub-section (1)*(a)*.

(3) An order under sub-section (1)*(a)* takes effect as an order made under section 162 on the application of the company.

(4) Where an order is made for the appointment of a liquidator under this section, Part VI applies to the liquidation of the company.

Filing copy of discharge order with Registrar.

111.–(1) Where an administration order is discharged or varied, the administrator or where the order is discharged the person who, immediately before the discharge, was the administrator of the company shall, within 14 days of the date of the order effecting the variation or discharge, file a copy of the order with the Registrar.

(2) A person who contravenes sub-section (1) commits an offence.

Application in respect of moratorium period.

112.–(1) During the period beginning with the commencement of the moratorium period and ending with the making of an administration order, the High Court may, on an application made by a creditor or member of the company, by a person affected by section 83 or, where the company is or has been a regulated entity, by the Commission–

(a) give directions in relation to any matter arising in connection with that section; or

(b) make such other order as it considers fit.

(2) Without limiting sub-section (1), an order under that sub-section may–

(a) regulate the management by the directors of the company's affairs, business and assets during the remainder of the moratorium period;

(b) require the directors to refrain from doing or continuing an act complained of by the applicant, or to do an act that the applicant has complained they have omitted to do;

(c) require the calling of a meeting of creditors or members for the purpose of considering such matters as the High Court may direct; and

(d) make such provision as the High Court considers necessary to protect the interests of one or more creditors of the company during the moratorium period.

(3) In making an order under this section, the High Court shall have regard to the need to safeguard the interests of persons who have dealt with the company in good faith and for value.

Application on grounds of unfair prejudice.

113.–(1) At any time when an administration order is in force, an application may be made by a creditor or member of a company or, where the company is or has been a regulated entity by the Commission for an order under sub-section (2) on one or both of the following grounds–

(a) that the company's affairs, business and assets are being, or have been, managed by

the administrator in a manner which unfairly prejudices the interests of the member or creditor; or

(b) that any actual or proposed act or omission of the administrator is or would be so prejudicial.

(2) Subject to sub-sections (3) and (4), where it is satisfied as to either of the grounds specified in sub-section (1), the High Court may make such order as it considers fit for giving relief in respect of the matters complained of, or adjourn the hearing conditionally or unconditionally, or make an interim or any other order that it considers fit.

(3) An order under sub-section (2) shall not prejudice or prevent–

(a) the implementation of proposals approved by the creditors under section 102; or

(b) where the application for the order was made more than 28 days after the approval of any proposals or revised proposals under section 101 or 103, the implementation of those proposals or revised proposals.

(4) Without limiting sub-section (2), an order under that sub-section may–

(a) regulate the management by the administrator of the company's affairs, business and assets;

(b) require the administrator to refrain from doing or continuing an act complained of by the applicant, or to do an act that the applicant has complained he has omitted to do;

(c) require the calling of a meeting of creditors or members for the purpose of considering

such matters as the High Court may direct; and

(d) discharge the administration order and make such consequential provision as the Court considers fit.

(5) Section 91 is not to be taken as prejudicing an application to the High Court under this section.

PART IV

Receivership

Interpretation and scope of this Part.

114.–(1) In this Part, unless the context otherwise requires, "company" means the company in respect of whose assets a receiver is or may be appointed.

(2) This Part applies to a receiver appointed–

(a) by the High Court;

(b) under a debenture or other instrument; or

(c) under or in accordance with any other enactment.

(3) Unless this Act expressly states otherwise, where, in respect of a receiver appointed by the High Court (other than as an administrative receiver), there is a conflict between this Act and the provisions of any other enactment or rule of law or the Civil Procedure Rules, the provisions of the enactment or rule of law or the Civil Procedure Rules, as the case may be, shall prevail.

(4) Where an administrative receiver is appointed in respect of a company, that company is referred to in this Act as "in administrative receivership".

Persons not to be appointed or act as receiver.

115.–(1) Subject to sub-section (2), the following persons are not eligible to be appointed as receiver in respect of a company and shall not accept appointment or act as such a receiver–

(a) a mortgagee of any assets of the company;

(b) a person who is, or within the previous 2 years has been—

(i) an officer or employee of a mortgagee of any assets of the company; or

(ii) a shareholder in or member of the company or a related company;

(c) a person who, pursuant to section 490 is disqualified from holding a licence;

(d) a person who, in an insolvency proceeding, would not be eligible to act as an insolvency practitioner in respect of the company pursuant to section 495(2);

(e) a body corporate;

(f) the Official Receiver;

(g) a person who is unable to perform or incapable of performing his functions; and

(h) such other persons as may be prescribed.

(2) The High Court may appoint–

(a) the Official Receiver; or

(b) such other person specified in sub-section (1), as a receiver, other than an administrative receiver.

(3) A person who accepts or purports to accept appointment or acts or purports to act as a receiver contrary to sub-section (1) commits an offence.

Appointment of joint receivers.

116.–(1) A power conferred by a debenture or other instrument to appoint a receiver includes the power to appoint–

(a) two or more joint receivers;

(b) an additional receiver to act jointly with the receiver in office; and

(c) a receiver to succeed a receiver who has vacated office, unless the debenture or other instrument expressly provides otherwise.

(2) Joint receivers may act jointly or severally unless the instrument under which, or the High Court order by which, they are appointed expressly provides otherwise.

(3) Unless the context otherwise requires, in this Act and the Regulations, "receiver" and "administrative receiver" includes 2 or more persons appointed as joint receivers or joint administrative receivers, as the case may be.

Notice of appointment.

117.–(1) A receiver shall forthwith upon being appointed–

(a) send a notice of his appointment to the company; and

(b) file a notice of his appointment–

(i) with the Registrar; and

(ii) if the company is or has been a regulated entity, with the Commission.

(2) In addition to complying with sub-section (1), an administrative receiver shall–

(a) subject to sub-section (3), within 5 business days after being appointed, cause a notice of his appointment to be advertised; and

(b) within 28 days after being appointed, send a notice of his appointment to all creditors of the company in receivership.

(3) Sub-section (2)(a) does not apply to a receiver appointed–

(a) to act jointly with an existing administrative receiver; or

(b) to act in place of an administrative receiver who has died or ceased to act.

(4) A receiver who contravenes sub-section (1) and an administrative receiver who contravenes sub-section (2) commits an offence.

Notification of receivership.

118.–(1) Where a company is in receivership, every document to which sub-section (2) applies shall contain a statement that a receiver has been appointed.

(2) Sub-section (1) applies to–

(a) where the company is in administrative receivership, every public document issued by or on behalf of the company;

(b) where the company is in administrative receivership, every public document issued by or on behalf of the receiver or any liquidator of the company on which the name of the company appears; and

(c) where a receiver is appointed in relation to a specific asset or specific assets, every public document issued by or on behalf of

the company, or the receiver, that relates to that asset or those assets.

(3) A failure to comply with sub-section (1) does not affect the validity of the document.

(4) A person who contravenes sub-section (1), or who causes, permits or acquiesces in a contravention of sub-section (1), commits an offence.

Vacation of office.

119.–(1) The office of receiver becomes vacant if the person holding the office–

(a) dies;

(b) resigns;

(c) vacates his office in accordance with sub-section (2);

(d) is removed from office in accordance with section 122; or

(e) is otherwise unable to person his functions.

(2) A receiver appointed out of court shall vacate his office forthwith if he ceases to be eligible to act as a receiver in accordance with section 115(1).

(3) Where a receiver resigns, vacates office in accordance with sub-section (2) or is removed from office under section 122, he shall, as soon as practicable, give notice to–

(a) the person who appointed him and any joint receiver;

(b) the company; or–

(i) if the company is in liquidation, its liquidator; and

(ii) if the company is in administration, its administrator; and

(c) the members of the creditors' committee, if any.

(4) A receiver appointed by the High Court shall as soon as practicable notify the High Court if he ceases to be eligible to act as a receiver in accordance with section 115(1).

(5) Where a receiver resigns, vacates office in accordance with sub-section (2) or is removed from office under section 122, he shall, within 7 days of ceasing to hold office, notify the Registrar and, where the company in respect of which he was appointed is, or has been, a regulated entity, to the Commission.

(6) Where a receiver vacates office, unless the High Court otherwise orders–

(a) his remuneration; and

(b) any indemnity to which he is entitled out of the assets of the company, shall be charged on and paid out of any assets of the company that are in his custody or under his control at that time in priority to any security interest held by the person by or on whose behalf he was appointed.

(7) A person who contravenes sub-sections (2), (3), (4) or (5) commits an offence.

Assistance to be provided by receiver vacating office.

120.–(1) A person vacating the office of receiver shall provide such information and give such assistance in the conduct of the receivership as is reasonably required by any remaining joint receiver or his successor.

(2) If a person vacating the office of receiver fails to provide information or give assistance as required under sub-section (1) the High Court may, on the application of the remaining joint receiver or successor, order the person vacating office to provide such information and give such assistance as is reasonably required within such time as is specified in the order.

(3) A person who fails to comply with an order made under sub-section (2) commits an offence.

Resignation of receiver.

121.–(1) The resignation of an administrative receiver appointed out of court is not effective unless the administrative receiver has given not less than 7 days' notice of his intention to resign to–

(a) the person who appointed him;

(b) the company in receivership, or if it is in liquidation, its liquidator; and

(c) the members of the creditors' committee, if any.

(2) Unless the High Court otherwise orders, the resignation of a receiver appointed by the High Court is not effective unless the receiver has given at least 7 days' notice of his intention to resign to the High Court and to such other persons as may be specified by the High Court.

(3) A notice given under sub-section (1) shall state the date upon which the receiver intends his resignation to take effect.

Removal of receiver.

122.–(1) A receiver appointed out of court, other than an administrative receiver, may be removed–

(a) in accordance with the charge or other instrument under which that receiver was appointed; or

(b) by order of the High Court.

(2) A receiver appointed by the Court and an administrative receiver may be removed by order of the High Court, but not otherwise.

(3) Application to the High Court for the removal of a receiver under sub-section (1) or sub-section (2) may be made by –

(a) the company–

(i) if the company is in liquidation, its liquidator; and

(ii) in the case of a receiver who is not an administrative receiver, if the company is in administration, its administrator;

(b) the board of the company;

(c) the person by or on whose behalf the receiver was appointed;

(d) a creditor of the company;

(e) where the company is or has been a regulated entity, by the Commission; or

(f) any other person who the High Court is satisfied has a legitimate interest in the removal of the receiver.

(4) An application to the High Court for the removal of a receiver under this section shall specify the grounds upon which the removal of the receiver is being sought and shall be served on the receiver at least 5 business days prior to the date fixed for the hearing of the application.

Co-operation with receiver.

123.–(1) Where a receiver is appointed, the company and every officer of the company shall–

(a) make available to the receiver all books, documents and information relating to the assets in respect of which the receiver has been appointed in its or his possession or under its or his control;

(b) if required to do so by the receiver, verify by statutory declaration that the books, documents and information are complete and correct; and

(c) give the receiver such assistance as the receiver may reasonably require.

(2) On the application of the receiver, the High Court may make an order requiring the company or an officer of the company to comply with sub-section (1).

(3) A person who fails to comply with an order of the High Court made under sub-section (2) commits an offence.

Duty to report to Commission.

124. If it appears to a receiver that the company in respect of which he was appointed is carrying on or has carried on unlicensed financial services business, the receiver shall as soon as reasonably practicably report the matter to the Commission.

Agency.

125.–(1) A receiver appointed out of court, other than an administrative receiver, is deemed to be the agent of the company unless the charge or instrument under which he was appointed expressly provides otherwise.

(2) Subject to sub-section (3), an administrative receiver is deemed to be the agent of the company in receivership.

(3) If a liquidator is appointed in respect of a company in receivership, the agency of any receiver, including an administrative receiver, terminates with immediate effect.

Powers of receiver, other than administrative receiver.

126.–(1) A receiver has the powers expressly or impliedly conferred on him–

(a) in the case of a receiver appointed out of court, by the charge or other instrument by which he was appointed; or

(b) in the case of a receiver appointed by the High Court, by the High Court order under which he was appointed.

(2) Unless the charge or other instrument under which, or High Court order by which, he was appointed expressly provides otherwise, a receiver may–

(a) demand and recover, by action or otherwise, income of the assets in respect of which he was appointed;

(b) issue receipts for income recovered;

(c) manage, insure, repair and maintain the assets in respect of which he was appointed; and

(d) exercise, on behalf of the company, a right to inspect books or documents that relate to the assets in respect of which he was appointed in the possession or under the control of a person other than the company.

(3) This section does not apply to an administrative receiver.

General duties of receivers.

127.–(1) The primary duty of a receiver is to exercise his powers–

(a) in good faith and for a proper purpose; and

(b) in a manner he believes, on reasonable grounds, to be in the best interests of the person in whose interests he was appointed.

(2) To the extent consistent with sub-section (1), a receiver shall exercise his powers with reasonable regard to the interests of–

(a) creditors of the company;

(b) sureties who may be called upon to fulfil obligations of the company;

(c) persons claiming, through the company, an interest in assets in respect of which he was appointed; and

(d) the company.

(3) Where a receiver appointed out of court acts or refrains from acting in accordance with any directions given by the person in whose interests he was appointed, the receiver is not in breach of the duty specified in sub-section (1)*(b)*, but is nevertheless liable for any breach of the duties specified in sub-section (1)*(a)* and sub-section (2).

Powers of sale and proceeds of sale.

128.–(1) A receiver who exercises a power of sale of assets in respect of which the receiver was appointed owes a duty to–

(a) creditors of this company;

(b) sureties who may be called upon to fulfil obligations of the company;

(c) persons claiming, through the company, an interest in assets in respect of which the receiver was appointed; and

(d) the company, to obtain the best price reasonably obtainable at the time of sale.

(2) A receiver shall keep money relating to the assets in respect of which the receiver was appointed separate from other money received in the course of, but not relating to, those assets and from other money held by the receiver or under his control.

(3) Notwithstanding any other enactment or rule of law to the contrary or anything contained in the debenture or other instrument by which a receiver was appointed–

(a) it is not a defence in proceedings against a receiver for a breach of the duty imposed by sub-section (1) that the receiver was acting as the agent of the company or under a power of attorney from the company; and

(b) a receiver is not entitled to compensation or an indemnity from the assets in respect of which he was appointed or the company in respect of any liability incurred by the receiver arising from a breach of the duty imposed by sub-section (1).

Liabilities of receivers.

129.–(1) Subject to sub-sections (2) and (3), a receiver is personally liable–

(a) on any contract entered into by him in the performance of his functions; and

(b) for the payment of wages or salary, including amounts due for holidays and absence due to sickness or other good cause, sums payable in lieu of holiday and contributions to an occupational pension scheme that, during the period of the receivership, accrue under

a contract of employment adopted by him in the performance of those functions.

(2) A receiver appointed out of court is not personally liable on a contract referred to in sub-section (1)*(a)* to the extent that the contract excludes or limits his liability.

(3) Where a receiver is appointed by the High Court, other than as an administrative receiver, unless the High Court orders otherwise, all contracts of employment are terminated with immediate effect and sub-section (1)*(b)* does not apply.

(4) For the purposes of sub-section (1)*(b)*–

(a) any action taken or omitted to be taken within the period of 14 days after a receiver's appointment shall not be taken to amount or contribute to the adoption of a contract; and

(b) a receiver is deemed to have adopted a contract of employment if notice of the termination of the contract is not given within 14 days after the date of his appointment.

(5) A receiver is entitled to an indemnity in respect of his liability under sub-section (1) out of the assets in respect of which he was appointed.

(6) Nothing in this section–

(a) imposes any liability on a receiver for wages or salary, including amounts due for holidays or absence due to sickness, or contributions to an occupational pension scheme, in respect of services rendered prior to the commencement of the receivership;

(b) limits any right to indemnity that the receiver would have apart from this section;

(c) limits the liability of a receiver on a contract entered into without authority; or

(d) confers on a receiver a right to an indemnity in respect of his liability on a contract entered into without authority.

Payment of debts out of assets subject to a floating charge.

130.–(1) This section applies where a receiver is appointed on behalf of the holder of a floating charge.

(2) If the company is not in liquidation, its preferential creditors shall be paid out of the assets coming into the hands of the receiver in priority to any claims for principal or interest in respect of–

(a) the debenture or other instrument under which the receiver is appointed; and

(b) any other debenture or other instrument of the company secured by a floating charge.

(3) Payments made under this section shall be recouped, as far as possible, out of the assets of the company available for payment of unsecured creditors.

High Court directions.

131.–(1) On the application of a person referred to in sub-section (2), the High Court may, in relation to any matter arising in connection with the performance of the functions of a receiver, make one or more of the following orders–

(a) an order giving such directions as it considers appropriate;

(b) an order declaring the rights of persons before it; and

(c) such other order as it considers just.

(2) Application to the High Court for an order under sub-section (1) may be made by any of the following persons–

(a) the receiver;

(b) the person by whom or on whose behalf the receiver was appointed;

(c) a person in whose interest the receiver is acting; and

(d) where the company in receivership is or has been a regulated entity, the Commission.

Further provisions with respect to an order under section 131.

132. The power of the High Court to make an order under section 131–

(a) is in addition to any other powers that may be exercised by the High Court whether under this Act or any other enactment or in its inherent jurisdiction;

(b) may be exercised notwithstanding that the receiver may have died or ceased to act as receiver before the making of the application or the order; and

(c) notwithstanding anything in the Civil Procedure Rules to the contrary, includes the power to vary or amend an order that the High Court has already made.

Remuneration of receivers.

133.–(1) Subject to sub-section (3), a receiver appointed under a debenture or other instrument is entitled to be paid remuneration for his services–

(a) in accordance with the terms of that debenture or other instrument; or

(b) as agreed with the person on whose behalf he was appointed.

(2) A receiver appointed by the High Court or in accordance with any other enactment is entitled to be paid such remuneration as the High Court may order or the other enactment may provide for.

(3) On the application of a person referred to in sub-section (6), the High Court may review and fix the amount paid or to be paid by way of remuneration to a receiver in accordance with sub-section (1).

(4) Subject to sub-section (5), the High Court's power under sub-section (3)–

(a) extends to fixing the remuneration for any period before the making of the order or the application for it;

(b) is exercisable notwithstanding that the receiver has died or ceased to act before the making of the application or the order; and

(c) extends to requiring him or his personal representative to account for the excess or such part of it as may be specified in the order to the extent that an amount paid to or retained by a receiver as remuneration exceeds that fixed by the High Court for the period concerned.

(5) The power conferred by sub-section (4) may not be exercised with respect to a period before the date of the application for an order under this section unless the High Court is satisfied that there are special circumstances that justify it.

(6) An application to the High Court for an order under sub-section (3) may be made by any of the following persons–

(a) the receiver;

(b) the company–

(i) if the company is in liquidation, its liquidator; and

(ii) if the company is in administration, its administrator;

(c) a person claimant through the company an interest in the assets in respect of which the receiver was appointed; and

(d) if the company in receivership is or has been a regulated entity, the Commission.

(7) In fixing the remuneration of a receiver under this section, the High Court shall apply the general principles specified in section 448.

Accounting records.

134.–(1) A receiver shall keep accounting records that correctly record and explain the receipts, expenditure and other transactions relating to the assets in respect of which he has been appointed.

(2) The accounting records kept under sub-section (1) shall be retained for a period of not less than 6 years after the receivership ends.

Receivership accounts to be filed with Registrar.

135.–(1) A receiver shall prepare accounts of his receipts and payments covering the periods specified in sub-section (2).

(2) Accounts prepared under sub-section (1) shall cover the following periods–

(a) the period of 12 months following the receiver's appointment;

(b) each subsequent period of 6 months;

(c) where the receiver ceases to act as receiver–

(i) the period from the end of the period covered by the last accounts required to be filed under this section, or if the receiver acted as receiver for less than 12 months from the date of his appointment, to the date of his ceasing to act; and

(ii) the period from the date of his appointment to the date of his ceasing to act, unless filed in accordance with sub-paragraph *(i)*.

(3) The accounts prepared under sub-section (1) shall–

(a) comprise an abstract showing all receipts and payments during the period covered by the accounts; and

(b) within 30 days of the last day of the period covered by the accounts–

(i) be filed with the Registrar; and

(ii) if the company in receivership is or has been a regulated entity, with the Commission.

(4) A receiver appointed by the High Court shall, in addition to complying with sub-section (3), file at High Court accounts in such form, covering such periods and within such time as the Court may order.

(5) In respect of a receiver appointed by the High Court–

(a) the obligations imposed by this section are additional–

(i) to any obligations or requirements concerning receivership accounts contained in the Civil Procedure Rules; and

(ii) to any order made with respect to receivership accounts by the High Court; and

(b) the High Court may set aside the application of sub-sections (1), (2) and (3) to such extent and on such terms and conditions as it considers fit.

(6) The Registrar may, on the application of a receiver, extend the period for the filing of accounts under this section for a period of, or where he grants more than one extension, for an aggregate period not exceeding 3 months.

(7) A receiver who contravenes this section commits an offence.

(8) Nothing in this section affects or limits the duty of a receiver to prepare and render proper accounts imposed otherwise than by this section.

Enforcement of duty to make returns.

136.–(1) If a receiver–

(a) having made default in filing, delivering or making any return, account or other document, or in giving any notice, which a receiver is required to file, deliver, make or

give under this Act or any other enactment fails to make good the default within 14 days after the service on him of a notice requiring him to do so; or

(b) being a receiver appointed out of court, has, after being required at any time by the liquidator of the company to do so, failed to render proper accounts of his receipts and payments and to vouch them and pay over to the liquidator the amount properly payable to him, the High Court may, on an application being made to it, order the receiver to make good the default within such time as may be specified in the order or, in respect of a default referred to in sub-section (1)*(a)*, may relieve the receiver of the obligation, in whole or in part.

(2) An application to the High Court may be made–

(a) in respect of a default referred to in sub-section (1)*(a)*, by the Registrar, a member or creditor of the company, its board or, if appropriate, its liquidator or administrator or the Commission; and

(b) in respect of a default referred to in sub-section (1)*(b)*, by the liquidator of the company.

(3) The High Court may order that the receiver pay the costs of and incidental to an application under sub-section (1).

(4) This section does not affect the operation of this Act or any other enactment that may impose penalties on receivers in respect of a default of the type referred to in sub-section (1).

(5) A receiver who fails to comply with an order made under this section commits an offence.

Completion of receivership.

137. On the completion of his receivership, a receiver shall forthwith–

(a) give notice to–

(i) the company, or if it is in administration or liquidation, the administrator or liquidator;

(ii) in the case of an administrative receiver, the creditors' committee, if any; and

(iii) if the company is or has been a regulated entity, to the Commission; and

(b) file a notice of completion with the Registrar and, if the company is or has been a regulated entity, with the Commission.

Appointment of receiver out of court.

138.–(1) The appointment of a receiver out of court shall be made in writing.

(2) Subject to sub-section (3), the appointment of a receiver out of court takes effect from the time upon which the receiver receives the written notice of appointment.

(3) The appointment of a receiver out of court is not effective unless the receiver accepts it before the end of the next business day following the day on which he receives the written appointment.

(4) Where 2 or more joint receivers are appointed out of court–

(a) the joint appointment takes effect from the time that all joint receivers receive the written appointment; and

(b) the joint appointment is not effective unless each receiver accepts the appointment in accordance with sub-section (3).

(5) Where a receiver is appointed out of court, whether as a sole or joint receiver, the receiver shall, if he accepts the appointment, within 7 days confirm his acceptance in writing to the person who appointed him.

(6) Sub-section (5) does not apply where an appointment is accepted in writing.

(7) For the purposes of this section–

(a) a person receives a written appointment if the appointment is received on his behalf; and

(b) an acceptance or confirmation of acceptance of an appointment as a receiver under this section may be given by any person authorised for that purpose by the appointee.

(8) A written acceptance or confirmation of acceptance of an appointment of a receiver out of court shall state–

(a) the time and date of receipt of the notice of appointment; and

(b) the time and date of the acceptance.

Execution of documents.

139. Where a receiver appointed out of court, other than an administrative receiver, is authorised to execute documents in the name of or on behalf of a company, whether under a power of attorney or otherwise, that authority continues in respect of documents necessary or incidental to the receiver's powers notwithstanding that the company may go into liquidation.

Invalid appointment.

140.–(1) Where the appointment of a person as a receiver appointed out of court is invalid the High Court may, if it is satisfied that the receiver acted honestly and reasonably, order the person by whom or on whose behalf the receiver was appointed to indemnify the receiver against any liability which arises solely by reason of the invalidity of the appointment.

(2) The High Court may exercise its powers under sub-section (1) subject to such terms and conditions as it considers fit.

Meaning of "administrative receiver".

141.–(1) In this Act, "administrative receiver" means a receiver of the whole, or substantially the whole, of the business, undertaking and assets of a company–

(a) appointed out of court by or on behalf of the holder of a debenture or other instrument of the company secured by a floating charge, whether or not that debenture or other instrument is also secured by one or more other security interests; or

(b) appointed by the High Court as an administrative receiver under section 142.

(2) Where 2 or more persons have the right, under different instruments, to appoint an administrative receiver–

(a) each may appoint an administrative receiver, but only one administrative receiver may act in relation to the company at any time; and

(b) the administrative receiver appointed on behalf of the person whose security interest ranks highest in priority, is entitled to act as administrative receiver.

Appointment of administrative receiver by High Court.

142.–(1) Where the High Court appoints a receiver who would, had he been appointed out of High Court, be an administrative receiver, the High Court may, in the order under which the receiver is appointed, specify that the receiver is an administrative receiver.

(2) Where the High Court appoints a receiver as an administrative receiver under sub-section (1), unless and to the extent that the High Court otherwise orders or that this Act provides to the contrary, the provisions of this Act that apply to administrative receivers apply to that receiver.

(3) The High Court shall not appoint a receiver as an administrative receiver if there is an administrative receiver acting in relation to the company.

Powers of administrative receiver.

143.–(1) Notwithstanding any provision in the articles, an administrative receiver may, unless the debenture or other instrument by which he was appointed provides otherwise–

(a) execute all documents necessary or incidental to the exercise of his powers in the name of and on behalf of the company in receivership; and

(b) use the company's seal.

(2) Unless and to the extent that the debenture or other instrument by which an administrative receiver is appointed provides otherwise, the powers conferred on an administrative receiver of a company by the debenture or other instrument by which the administrative receiver was appointed include the powers specified in Schedule I.

Schedule I.

Schedule I.

(3) References in Schedule I to the assets of the company are to that part of the assets of the company in respect of which the receiver is appointed.

(4) A person dealing with the administrative receiver of

a company in good faith and for value is not concerned to enquire whether the administrative receiver is acting within his powers.

Power to dispose of charged assets.

144.–(1) In this section, "relevant assets", in relation to the administrative receiver, means the assets of which the administrative receiver is or, but for the appointment of some other person as the receiver of part of the company's assets, would be the receiver.

(2) Where on an application by an administrative receiver, the High Court is satisfied that the disposal, with or without other assets, of any relevant assets which are subject to a security interest would be likely to promote a more advantageous realisation of the company's assets than would otherwise be effected, the High Court may by order authorise the administrative receiver to dispose of the assets as if they were not subject to the other security interest.

(3) Sub-section (2) does not apply in the case of any security interest held by the person by or on whose behalf the administrative receiver was appointed, or of any security interest to which a security interest so held has priority.

(4) It shall be a condition of an order made under sub-section (2) that–

(a) the net proceeds of the disposal; and

(b) where those proceeds are less than such amount as may be determined by the High Court to be the net amount which would be uthoriz on the sale of the assets in the open market by a willing vendor (the open market value), such sums as may be required to make good the deficiency, shall be applied towards the sums secured by the security interest.

(5) Where a condition imposed pursuant to sub-section (4) relates to 2 or more security interests, that condition shall require the net proceeds of the disposal and, where sub-section (4)*(b)* applies, the sums mentioned in that paragraph to be applied towards discharging the sums secured by those security interests in the order of their priorities.

(6) Where, following the disposal of assets under this section, sub-section (4)*(b)* applies, the administrative receiver, or any person to whom sums are to be paid under that sub-section, may apply to the High Court for a review of the High Court's determination as to the open market value of the assets.

(7) On an application made under sub-section (6), the High Court may make a fresh determination as to the open market value of the assets disposed of and sub-sections (4) and (5) shall apply with the new open market value substituted for the original open market value.

(8) An application under sub-section (6) shall be made–

(a) in the case of the administrative receiver, within 14 days of the date of the disposal of the assets; or

(b) in the case of a person other than the administrative receiver, within 14 days of the date that he is notified by the administrative receiver of the sale.

(9) The administrative receiver shall file a copy of an order made under sub-section (2) or sub-section (7) with the Registrar within 14 days of the date of the order.

(10) An administrative receiver who contravenes sub-section (9) commits an offence.

Statement of affairs.

145.–(1) In this section, "relevant person" has the meaning set out in section 267.

(2) An administrative receiver shall, as soon as practicable after his appointment, by notice, require one or more relevant persons to prepare and submit to him a statement of affairs of the company in administrative receivership.

Report by administrative receiver.

146.–(1) An administrative receiver shall, within 3 months of his appointment, prepare and file with the Registrar and, where appointed by the High Court, with the High Court, a report as to–

(a) the events leading up to his appointment;

(b) the disposal or proposed disposal by him of any assets of the company and the carrying on by him of any business of the company;

(c) the amounts of principal and interest payable to the person by whom or on whose behalf he was appointed and the amounts payable to preferential creditors;

(d) the amount, if any, likely to be available for the payment of other creditors; and

(e) the persons who have submitted statements of affairs under section 145, and containing such other information as may be prescribed.

(2) A report prepared under sub-section (1) shall include summaries of the statements of affairs submitted to him together with his comments thereon.

(3) The administrative receiver shall, within 14 days of filing the report prepared under sub-section (1) with the Registrar–

(a) send a copy of the report to–

(i) the company in receivership or, if it is in liquidation, its liquidator; and

(ii) where the company is or has been a regulated entity, to the Commission;

(b) either send a copy of the report to each creditor of the company or publish a notice in the prescribed form stating the address of an office to which creditors of the company may write for a copy of the report and at which the report can be inspected during normal office hours; and

(c) call a meeting of unsecured creditors.

(4) Where the administrative receiver is satisfied that the disclosure of information in a report prepared under this section would seriously prejudice the carrying out by him of his functions, the administrative receiver may omit such information from his report.

(5) Where a liquidator is appointed after the administrative receiver has sent a copy of his report to the company under sub-section (3)*(a)*, the administrative receiver shall, within 7 days of the date of appointment of the liquidator, send a copy of his report to the liquidator.

(6) This section does not apply to a receiver appointed–

(a) to act jointly with an existing administrative receiver; or

(b) to act in place of an administrative receiver who has died or ceased to act, where sub-sections (1), (3) and (5) have been complied

with by the existing administrative receiver or by his predecessor.

(7) An administrative receiver who fails to comply with this section commits an offence and is liable to an administrative fine imposed by the Commission as set out in Regulations.

Application for permission not to call meeting of creditors.

147.–(1) An administrative receiver may apply to the High Court for an order permitting him not to call a meeting of creditors under section 146(3)*(c)* and, subject to sub-section (2), the High Court may make such an order subject to such terms as it considers appropriate.

(2) The High Court shall not make an order under sub-section (1) unless–

(a) the administrative receiver has stated in his report prepared under 146(1), his intention of applying for the order;

(b) the report has been sent to the persons referred to in section 146(3)*(a)* not less than 14 days prior to the date of the hearing of the application; and

(c) where the administrative receiver publishes a notice under section 146(3)*(b)*, the administrative receiver stated his intention to apply for the order in that notice.

PART V

Provisions applicable to the liquidation of Companies and to the bankruptcy of Individuals

Interpretation of this Part.

148.–(1) For the purposes of this Part–

(a) "debtor" means a company in liquidation or an individual in bankruptcy;

(b) "insolvency proceeding" means in the case of a company, its liquidation and in the case of an individual, his bankruptcy; and

(c) "relevant time" means, in the case of a company, the commencement of its liquidation and, in the case of an individual, the commencement of his bankruptcy.

(2) In this Part, "company" includes a foreign company.

Insolvency set-off.

149.–(1) Subject to Part XII on netting, where, before the relevant time, there have been mutual credits, mutual debts or other mutual dealings between a debtor and a creditor claiming or intending to claim in the insolvency proceeding–

(a) an account shall be taken of what is due from each party to the other in respect of those mutual credits, mutual debts or other mutual dealings, as at the relevant time;

(b) the sum due from one party shall be set-off against the sums due from the other party; and

(c) only the balance of the account, if any, may be claimed in the insolvency proceeding or is payable to the debtor, as the case may be.

(2) A creditor is not entitled to claim the benefit of a set-off under this section if he had actual notice that the debtor was insolvent–

(a) at the time he gave credit to the debtor or received credit from the debtor; or

(b) at the time he acquired any claim against the debtor or any part of or interest in such a claim.

(3) For the purposes of sub-section (2), "insolvent" has the meaning specified in section 8 with the deletion of sub-section (1)*(c)(i)* of that section.

(4) Where, before the relevant time, a creditor waives or agrees that he will not claim the benefit of a set-off under this section, that waiver or agreement takes effect notwithstanding sub-section (1), except to the extent that a creditor who was not a party to the agreement, or has not agreed otherwise, is prejudiced.

Validity of agreement to subordinate debt.

150. Where, before the relevant time, a creditor acknowledges or agrees that, in the event of a shortfall of assets, he will accept a lower priority in respect of a debt than that which he would otherwise have under this Act, that acknowledgement or agreement takes effect notwithstanding the provisions of this Act, except to the extent that a creditor of the debtor who was not a party to the agreement is prejudiced.

Quantification of claims in liquidation and bankruptcy.

151.–(1) This section applies to the quantification of a claim in the liquidation of a company or the bankruptcy of an individual.

(2) The amount of a claim shall be quantified as at the relevant time.

(3) Where a claim is subject to a contingency or, for any other reason, the amount of the claim is not certain, the liquidator, or the bankruptcy trustee, shall–

(a) agree an estimate of the value of the claim as at the relevant time; or

(b) apply to the High Court to determine the amount of the claim.

(4) On an application by the liquidator or the bankruptcy trustee under sub-section (3)*(b)*, the High Court may–

(a) determine the amount of the claim itself; or

(b) determine a method to be used by the liquidator or the trustee for calculating the amount of the claim.

(5) In the case of rent and other payments of a periodic nature, a claim may include any amounts due and unpaid at the relevant time and where, at the relevant time, a payment was accruing due, the claim may include so much as would have fallen due at that time if the liability had been accruing from day to day.

(6) A claim based on a liability that, at the relevant time, was not payable by the company until after the relevant time shall be discounted in accordance with the Regulations.

(7) Interest may be included in a claim as provided by section 152.

Interest on claims.

152.–(1) Subject to sections 214 and 358, a claim in the liquidation of a company or the bankruptcy of an individual shall not include an amount for interest in respect of a period after the relevant time.

(2) If it was agreed between the debtor and a creditor that the debt on which the creditor's claim is based would bear interest, the claim may include interest, at the agreed rate, up to the relevant time.

(3) A claim made by a creditor other than one referred to in sub-section (2) may include interest up to the relevant time if–

(a) the debt on which the claim is based is due by virtue of a written instrument and was

payable at a certain time before the relevant time; or

(b) if, before the relevant time, the creditor made written demand on the debtor and the demand stipulated that interest would be payable on the debt from the date of the demand until payment of the debt.

(4) The amount of interest that may be included in a claim under this section is–

(a) in the case of a debt referred to in sub-section (3)*(a)*, interest at the court rate for the period from the date that the debt was payable to the relevant time; and

(b) in the case of a debt referred to in sub-section (3)*(b)*, interest at the court rate for the period from the date of the written demand to the relevant time.

Claim in currency other than Belize dollars.

153.–(1) The amount of a claim based on a liability incurred or payable in a currency other than Belize dollars shall be converted into Belize dollars at the rate of exchange prevailing at the relevant time.

(2) For the purposes of sub-section (1), the rate of exchange should be ascertained in such manner as may be prescribed.

Statutory demand.

154.–(1) A creditor may make demand on a person for payment of a debt owed by that person to the creditor.

(2) A demand under sub-section (1) shall–

(a) be in respect of a debt that is due and payable at the time of the demand and that is not less than the prescribed minimum;

(b) be in writing and shall specify the nature of the debt and its amount;

(c) be dated and shall be signed by the creditor or by a person authorized to make demand on the creditor's behalf;

(d) require the person to pay the debt or to secure or compound for the debt to the reasonable satisfaction of the creditor within 21 days of the date of service of the demand on him or such longer period as may be prescribed;

(e) state that if the demand is not complied with, application may be made to the High Court for the appointment of a liquidator or a bankruptcy trustee, as the case may be;

(f) set out the rights of the person to make application to set the demand aside under section 155; and

(g) comply with and be served in accordance with the Regulations.

(3) If the creditor making demand under sub-section (1) is a secured creditor in respect of the debt, the full amount of the debt shall be specified in the demand, but–

(a) the demand shall specify the nature of the security interest, and the value which the creditor places on it at the date of the demand; and

(b) the amount claimed–

(i) shall be the full amount of the debt less the amount specified as the value of the security interest; and

(ii) shall equal or exceed the prescribed minimum.

Application to set aside statutory demand.

155.–(1) Where a person has been served with a statutory demand, he may apply to the High Court to set it aside.

(2) An application under sub-section (1) shall be made within 14 days of the date of service of the demand on him.

(3) The High Court may not extend the time for making or serving an application to set aside a statutory demand.

(4) Subject to an order of the High Court under section 156, the time for compliance with the demand ceases to run as from the date upon which an application under sub-section (1) is filed with the High Court.

(5) A person applying to set aside a statutory demand under this section shall give 7 days' notice of the hearing to the creditor or, where a person is named in the demand as the person with whom communications in respect of the demand should be made, to that person.

Hearing to set aside statutory demand.

156.–(1) The High Court shall set aside a statutory demand if it is satisfied that–

(a) there is a substantial dispute as to whether–

(i) the debt; or

(ii) a part of the debt sufficient to reduce the undisputed debt to less than the prescribed minimum, is owing or due;

(b) the person on whom the statutory demand was served has a reasonable prospect of establishing a set-off, counterclaim or cross claim in an amount equal to or greater than

the amount specified in the demand less the prescribed minimum; or

(c) the creditor holds a security interest in respect of the debt claimed and the value of the security interest is equal to or greater than the amount specified in the demand less the prescribed minimum.

(2) The High Court may set aside a statutory demand if it is satisfied that substantial injustice would otherwise be caused–

(a) because of a defect in the demand, including a failure to comply with section 154(3); or

(b) for some other reason.

(3) Where the High Court is satisfied that the security interest of a secured creditor has been under-valued in the statutory demand, the High Court may require the creditor to amend the demand accordingly, but without prejudice to his right to make application for the appointment of a liquidator or for a bankruptcy order, as the case may be.

(4) If, on hearing an application to set aside a statutory demand, the High Court is satisfied that there are no grounds for setting aside the statutory demand, it may extend the time for compliance with the statutory demand.

(5) If the High Court dismisses an application to set aside a statutory demand, it shall make an order authorising the creditor to make application for the appointment of a liquidator or for a bankruptcy order, as the case may be.

(6) Having considered the evidence before it on a hearing under this section, the High Court may either summarily determine the application or adjourn it giving such directions as it considers fit.

PART VI

Liquidation

Appointment of liquidator.

157. Where the Official Receiver is appointed as the liquidator or provisional liquidator of a company, the provisions of this Act that apply to a liquidator apply to the Official Receiver, as liquidator, unless otherwise provided.

Application of this Part to Official Receiver.

158.–(1) The High Court may appoint the Official Receiver or an eligible insolvency practitioner as liquidator–

(a) of a company, on an application under section 161; or

(b) of a foreign company, on an application under section 162.

(2) Subject to sub-section (5) and section 160, the members of a company may, by a qualifying resolution, appoint an eligible insolvency practitioner as liquidator of the company.

(3) For the purposes of sub-section (2), a resolution is a "qualifying resolution" if it is passed at a properly constituted meeting of the company by a majority of 75%, or if a higher majority is required by the articles, by that higher majority, of the votes of those members who are present at the meeting and entitled to vote on the resolution.

(4) The members of a foreign company may not appoint a liquidator under this Part and any resolution of the members of a foreign company that purports to appoint a liquidator under this Part is void and of no effect.

(5) The members of a company that is a regulated entity may not appoint a liquidator under sub-section (2) unless at least 5 business days written notice of the resolution, or

such shorter period of notice as the Commission may agree to accept in writing, has been given to the Commission.

(6) A resolution passed in contravention of sub-section (5) is void and of no effect.

Appointment of liquidator by members.

159. The liquidation of a company commences at the time at which a liquidator is appointed as provided in section 158 and continues until it is terminated in accordance with section 231 and, throughout this period, the company is referred to in this Act as "in liquidation".

Duration of liquidation.

160.–(1) The members of a company may not appoint a liquidator of the company if–

(a) an application to the High Court to appoint a liquidator has been filed and served but not yet determined;

(b) a liquidator has been appointed by the High Court; or

(c) the person to be appointed liquidator has not consented in writing to his appointment, and a resolution to appoint a liquidator in the circumstances referred to in paragraphs *(a)* or *(b)* is void and of no effect.

(2) Where the members resolve to appoint a liquidator under section 158(2), the company shall, as soon as practicable, give the liquidator notice of his appointment.

(3) The members of a company may not appoint the Official Receiver as liquidator of the company, and any resolution of the members that purports to do so is void and of no effect.

(4) The acts of a liquidator appointed in breach of sub-section (1)*(a)* carried out in good faith are valid, provided that he is not aware of the breach.

(5) A company that contravenes sub-section (2) commits an offence.

Appointment of liquidator by High Court.

161.–(1) The High Court may, on application by a person specified in sub-section (2), appoint a liquidator of a company under section 158(1) if–

(a) the company is insolvent;

(b) the High Court is of the opinion that it is just and equitable that a liquidator should be appointed; or

(c) the High Court is of the opinion that it is in the public interest for a liquidator to be appointed.

(2) Subject to sub-sections (3), (4) and (5), an application under sub-section (1) may be made by one or more of the following–

(a) the company;

(b) a creditor;

(c) a member;

(d) the supervisor of a creditors' arrangement in respect of the company;

(e) the Commission;

(f) the Attorney General.

(3) An application under sub-section (1)*(a)* by a member may only be made with the leave of the High Court, which shall not be granted unless the High Court is satisfied that there is a prima facie case that the company is insolvent.

(4) An application to appoint a liquidator under sub-section (1) may only be made by the Commission or the Attorney General.

(5) The Commission may only make an application to appoint a liquidator under sub-section (1) if the company concerned is, or at any time has been, a regulated entity or the company is carrying on, or at any time has carried on, unlicensed financial services business.

(6) The Commission shall only make an application to appoint a liquidator under sub-section (1) if the company has been the subject of a determination by the Commission pursuant to section 17 of the Economic Substance Act to the effect that it has been carrying on a relevant activity in breach of the economic substance requirements or has been found to be in breach of the Mutual Administrative Assistance in Tax Matters Act.

CAP. 273:01
CAP. 103:03

(7) Where a creditors arrangement has terminated, the person who, immediately before the termination of the arrangement, was the supervisor is treated as the supervisor for the purposes of this section.

(8) An applicant may, in his application under this section, propose an eligible insolvency practitioner as liquidator of the company.

(9) Where an order is made under section 158(1) at a time when an arrangement is in force in respect of the company, the High Court may appoint the supervisor of the arrangement as liquidator of the company.

Appointment of liquidator of a foreign company.

162.–(1) The High Court may, on application by a person specified in section 161(2), appoint a liquidator of a foreign company under section 158(1) if the High Court is satisfied that the company has a connection with Belize and–

(a) the company is insolvent;

(b) the High Court is of the opinion that it is just and equitable that a liquidator should be appointed;

(c) the High Court is of the opinion that it is in the public interest for a liquidator to be appointed;

(d) the company is dissolved or has otherwise ceased to exist under or by virtue of the laws of the country in which it was last registered;

(e) the company has ceased to carry on business; or

(f) the company is carrying on business only for the purpose of winding up its affairs.

(2) For the purposes of sub-section (1), a foreign company has a connection with Belize only if–

(a) it has or appears to have assets in Belize;

(b) it is carrying on, or has carried on, business in Belize; or

(c) there is a reasonable prospect that the appointment of a liquidator of the company under this Part will benefit the creditors of the company.

(3) An application for the appointment of a liquidator of a foreign company may be made–

(a) notwithstanding that the company has been dissolved or has otherwise ceased to exist

under or by virtue of the laws of any other country; and

(b) whether or not the company is or has been registered under the Belize Companies Act.

(4) An application to appoint a liquidator under sub-section (1) may only be made by the Commission or the Attorney General.

(5) The Commission may only make an application to appoint a liquidator under sub-section (1) if the foreign company concerned is, or at any time has been, a regulated entity or the company is carrying on, or at any time has carried on, unlicensed financial services business.

(6) The Commission shall only make an application to appoint a liquidator under sub-section (1) if the foreign company has been the subject of a determination by the Commission pursuant to section 17 of the Economic Substance Act to the effect that it has been carrying on a relevant activity in breach of the economic substance requirements.

CAP. 273:01

(7) Subject to the modifications and exceptions set out in Schedule III, the provisions of this Part apply to an application to appoint a liquidator of a foreign company and to the liquidation of a foreign company.

Schedule III.

Withdrawal of application.

163. An application for the appointment of a liquidator may not be withdrawn except with the leave of the High Court.

Advertisement of application.

164.–(1) Unless the High Court otherwise orders, an application for the appointment of a liquidator shall be advertised–

(a) if the company is the applicant, not less than 7 days before the date set for the application to be heard; or

(b) if the company is not the applicant, not less than 7 days after service of the application on the company and not less than 7 days before the date set for the application to be heard.

(2) If the application is not advertised in accordance with this section and the Regulations, the High Court may dismiss it.

Substitution of applicant.

165.–(1) In the circumstances specified in sub-section (2), the High Court may, by order, substitute as applicant in an application for the appointment of a liquidator, a creditor or member who is entitled to make such an application.

(2) The High Court may make a substitution order under sub-section (1) where the original applicant is a member or creditor of the company and the High Court considers it appropriate to do so–

(a) because the applicant applies to withdraw the application or consents to it being dismissed;

(b) because the High Court considers that the application is not being diligently proceeded with;

(c) where the applicant is not entitled to make the application; or

(d) for any other reason.

High Court's power on hearing of an application.

166.–(1) On the hearing of an application for the appointment of a liquidator, the High Court may–

(a) appoint a liquidator under section 158(1);

(b) dismiss the application, even if a ground on which the Court could appoint a liquidator has been proved;

(c) adjourn the hearing conditionally or unconditionally; or

(d) make any interim order or other order that it considers fit.

(2) The High Court shall not refuse to appoint a liquidator of a company merely because–

(a) the assets of the company are subject to a security interest in respect of an amount equal to or greater than the value or amount of the assets;

(b) the company has no assets; or

(c) where the applicant is a member, if the order were made, no assets of the company would be available for distribution among the members.

(3) Where an application to appoint a liquidator is made by a member under section 161(1)*(b)*, if the High Court is of the opinion that–

(a) the applicant is entitled to relief either by the appointment of a liquidator or by some other means; and

(b) in the absence of any other remedy it would be just and equitable to appoint a liquidator, it shall appoint a liquidator unless it is also of the opinion that some other remedy is available to the applicant and that he is acting unreasonably in seeking to have a liquidator appointed instead of pursuing that other remedy.

(4) An application for the appointment of a liquidator shall be dismissed if the company is in liquidation, a liquidator having been appointed by the members under section 158(2).

Period within which application shall be determined.

167.–(1) Subject to sub-section (2), an application for the appointment of a liquidator shall be determined within 6 months after it is filed.

(2) The High Court may, upon such conditions as it considers fit, extend the period referred to in sub-section (1) for one or more periods not exceeding 3 months each if–

(a) it is satisfied that special circumstances justify the extension; and

(b) the order extending the period is made before the expiry of that period or, if a previous order has been made under this sub-section, that period as extended.

(3) If an application is not determined within the period referred to in sub-section (1) or within that period as extended, it is deemed to have been dismissed.

Expenses of an arrangement.

168. Where a liquidator of a company is appointed and, at the date that the application was filed, an arrangement was being supervised by a supervisor, the remuneration of the supervisor is a first charge on the assets of the company.

Appointment of provisional liquidator.

169.–(1) Where an application for the appointment of a liquidator of a company has been filed but not yet determined or withdrawn, the High Court may, on application by a person specified in sub-section (2), appoint the Official Receiver or an eligible insolvency practitioner as provisional liquidator of the company on the grounds specified in sub-section (4).

(2) Subject to sub-section (3), an application under sub-section (1) may be made by one or more of the following–

(a) the company;

(b) a creditor;

(c) a member;

(d) the Commission; or

(e) any person who, under any other enactment, is entitled to apply for the appointment of a liquidator of the company.

(3) An application under sub-section (1) by a member may only be made with the leave of the High Court.

(4) The High Court may appoint a provisional liquidator under sub-section (1) if–

(a) the company, in respect of which the application to appoint a liquidator has been made, consents; or

(b) the High Court is satisfied that the appointment of a provisional liquidator–

(i) is necessary for the purpose of maintaining the value of assets owned or managed by the company; or

(ii) is in the public interest.

(5) The High Court may appoint a provisional liquidator on such terms as it considers fit and may, as a condition precedent to the appointment, require the applicant to deposit at High Court, or otherwise secure to the satisfaction of the Court, such sum as the High Court considers reasonable to cover the remuneration of the provisional liquidator.

Rights and powers of provisional liquidator.

170.–(1) Subject to sub-section (2), a provisional liquidator has the rights and powers of a liquidator to the extent necessary to maintain the value of the assets owned or managed by the company or to carry out the functions for which he was appointed.

(2) The High Court may limit the powers of a provisional liquidator in such manner and at such times as it considers fit.

Remuneration of provisional liquidator.

171.–(1) The provisional liquidator of a company is entitled to be paid such remuneration as the High Court may order applying the general principles specified in section 448.

(2) Subject to sub-sections (4) and (5), the remuneration of the provisional liquidator is payable out of the assets of the company.

(3) Where a liquidator is appointed, the remuneration of the provisional liquidator shall be paid in accordance with the prescribed priority.

(4) If a liquidator is not appointed, the High Court may order the applicant for the appointment of the provisional liquidator to pay or contribute to the remuneration and expenses of the provisional liquidator if it is satisfied that the applicant–

(a) misled the High Court when making the application; or

(b) acted unreasonably in applying for the appointment of the provisional liquidator.

(5) If the assets of the company are not sufficient to pay the remuneration of the provisional liquidator, the High Court may order the shortfall, or part of the shortfall, to be paid by the applicant for the appointment of the provisional liquidator.

(6) Unless the High Court otherwise orders, where sub-section (4)*(a)* applies, the provisional liquidator may retain out of the company's assets such sums or assets as are, or may be, required for meeting his remuneration.

Termination of appointment of provisional liquidator.

172.–(1) The High Court may, on the application of the provisional liquidator or of any person specified in section 169(2) or on its own motion, terminate the appointment of a provisional liquidator.

(2) If the High Court has not previously terminated the appointment of a provisional liquidator under sub-section (1), it terminates on the determination by the Court of the application to appoint a liquidator.

(3) On the termination of the appointment of a provisional liquidator, the High Court may give such directions or make such order with respect to the accounts of his administration, or to any other matters, as it considers appropriate.

Power to stay or restrain proceedings etc.

173. Where an application for the appointment of a liquidator of a company has been filed but not yet determined or withdrawn, a person specified in section 169(2) may–

(a) where any action or proceeding is pending against the company in the High Court, the Court of Appeal or the Caribbean Court of Justice, apply to the High Court, the Court of Appeal or the Caribbean Court of Justice, as the case may be, for a stay of the action or proceeding; and

(b) where any action or proceeding is pending against the company in any other court of competent jurisdiction or tribunal in Belize, apply to the High Court for a stay of the action or proceeding.

174.–(1) Subject to sub-section (2), with effect from the commencement of the liquidation of a company– **Effect of liquidation.**

(a) the liquidator has custody and control of the assets of the company;

(b) the directors and other officers of the company remain in office, but they cease to have any powers, functions or duties other than those required or permitted under this Part or authorised by the liquidator;

(c) unless the High Court otherwise orders, no person may–

(i) commence or proceed with any action or proceeding against the company or in relation to its assets; or

(ii) exercise or enforce, or continue to exercise or enforce any right or remedy over or against assets of the company;

(d) unless the High Court otherwise orders, no share in the company may be transferred;

(e) no alteration may be made in the status of or to the rights or liabilities of a member, whether by an amendment of the articles or otherwise;

(f) no member may exercise any power under the articles, or otherwise, except for the purposes of this Act; and

(g) no amendment may be made to the articles of the company.

(2) Sub-section (1) does not affect the right of a secured creditor to take possession of and realise or otherwise deal with assets of the company over which that creditor has a security interest.

(3) Anything or matter done or purported to be done in contravention of sub-section (1) is void and of no effect.

Restriction on execution or attachment.

175.–(1) Subject to sub-sections (2) and (3), a creditor is not entitled to retain the benefit of any execution process, distress or attachment over or against the assets of a company in liquidation unless the execution, process or attachment is completed before the first occurring of the commencement of the liquidation and–

(a) where the liquidator was appointed by the members under section 160(2), the date upon which the creditor had notice of the calling of the meeting at which the resolution was proposed; or

(b) where the liquidator was appointed by the High Court, the date upon which the application to appoint the liquidator was filed.

(2) A person who, in good faith and for value, purchases assets of a company from an officer charged with an execution process acquires a good title as against the liquidator of the company.

(3) The High Court may set aside the rights conferred on a liquidator under sub-section (1) to the extent and subject to such terms as it considers fit.

(4) For the purposes of this section–

(a) an execution or distraint against personal property is completed by seizure and sale;

(b) an attachment of a debt is completed by the receipt of the debt; and

(c) an execution against land is completed by sale, and in the case of an equitable interest, by the appointment of a receiver.

Duties of officer in execution process.

176.–(1) Subject to sub-section (6), where–

(a) assets of a company are taken in an execution process; and

(b) before completion of the execution process the officer charged with the execution process receives notice that a liquidator or a provisional liquidator of a company has been appointed,

he, on being required by the liquidator or provisional liquidator to do so, shall deliver or transfer the assets and any money received in satisfaction or partial satisfaction of the execution or paid to avoid a sale of the assets, to the liquidator.

(2) The costs of the execution process are a first charge on any asset delivered or transferred to the liquidator under sub-section (1) and the liquidator may sell all or some of the assets to satisfy that charge.

(3) Subject to sub-sections (4) and (6), if in an execution process in respect of a judgement for a sum exceeding $500, assets of a company are sold or money is paid to avoid a sale, the officer charged with the execution process shall retain the proceeds of sale or the money paid for a period of 14 days.

(4) If–

(a) within the period of 14 days referred to in sub-section (3), the officer has notice that–

(i) an application for the appointment of a liquidator of the company has been filed; or

(ii) a meeting of the members of the company has been called at which a resolution to appoint a liquidator is to be proposed; and

(b) a liquidator is appointed in respect of the company,

the officer shall deduct the costs of execution from the amount that he has retained under sub-section (3) and pay the balance to the liquidator.

(5) A liquidator to whom money has been paid under sub-section (4) is entitled to retain it as against the execution creditor.

(6) The High Court may set aside the rights conferred on a liquidator under this section to the extent and subject to such terms as it considers fit.

Notice of appointment of liquidator.

177.–(1) The liquidator of a company shall, within 14 days of the date of his appointment–

(a) advertise his appointment in accordance with the Regulations;

(b) file notice of his appointment with the Registrar;

(c) serve notice of his appointment on the company in respect of which he was appointed; and

(d) if he has been appointed in respect of a company that is or has been a regulated entity, serve notice of his appointment on the Commission.

(2) A liquidator who contravenes sub-section (1) commits an offence.

Liquidator to call first meeting of creditors.

178.–(1) Subject to section 182, the liquidator of a company shall call a meeting of the creditors of the company (the first creditors' meeting) to be held within 21 days of the date of his appointment–

(a) by sending a notice of the meeting to every creditor not less than 7 days before the date upon which the meeting is to be held; and

(b) by advertising the meeting.

(2) During the period before the date of the first creditors' meeting, the liquidator shall, at the request of a creditor, furnish that creditor with–

(a) a list of the creditors of the company known to the liquidator; and

(b) such other information concerning the affairs of the company as the creditor may reasonably require and that the liquidator is reasonably able to provide.

(3) The liquidator shall attend the first creditors meeting and, if appointed by the members, shall report to the meeting on any exercise by him of his powers since his appointment.

(4) At the first creditors' meeting, the creditors may–

(a) in the case of a liquidator appointed by the members, appoint another liquidator in his place; or

(b) in the case of a liquidator appointed by the High Court, resolve to make application to the High Court for the appointment of another liquidator in his place; and

(c) in either case, appoint a creditors' committee.

(5) A liquidator who contravenes sub-sections (1), (2) or (3) commits an offence.

Application to High Court by members.

179. Where at a meeting held under section 178 the creditors appoint a liquidator in the place of the liquidator appointed by the members, a director, member or creditor of the company may apply to the High Court for an order that–

(a) the person appointed by the members is appointed liquidator; or

(b) some other insolvency practitioner is appointed as liquidator, in either case, instead of or jointly with the liquidator appointed by the creditors.

Application of sections 177 and 178.

180.–(1) Subject to sub-section (2), sections 177 and 178 do not apply to a liquidator appointed to act–

(a) with an existing liquidator; or

(b) in place of a liquidator who has died or otherwise unable to or ceased to act.

(2) Where the first liquidator of a company dies or ceases to act before sections 177 and 178 have been fully complied with, those sections apply to his successor and any continuing liquidator until the sections have been fully complied with.

Restrictions on powers of liquidator appointed by members.

181. Notwithstanding section 185, in the case of a liquidator appointed by the members of a company, during the period before the holding of the first creditors' meeting called under section 178, the powers of the liquidator are limited to–

(a) taking into his custody and control all the assets to which the company is or appears to be entitled;

(b) disposing of perishable goods and other assets the value of which is likely to diminish if they are not immediately disposed of;

(c) doing all such things as may be necessary to protect the company's assets; and

(d) exercising such other of the powers conferred on a liquidator by section 185 as the High Court may, on his application, sanction.

High Court appointed liquidator may dispense with creditors' meeting.

182. A liquidator appointed by the High Court is not required to call a meeting of creditors under section 178 if–

(a) the liquidator considers that, having regard to the assets and liabilities of the company, the likely result of the liquidation of the company and any other relevant matters that it is not necessary for a meeting to be held;

(b) the liquidator gives notice to the creditors stating–

(i) that he does not consider it necessary for a meeting to be held;

(ii) the reasons for his view; and

(iii) that a meeting will not be called unless 10% in value of the creditors give written notice to the liquidator within 10 days of receiving the notice, that they require a meeting to be called; and

(c) no notice requiring a meeting to be held is received by him.

Status of liquidator.

183.–(1) In performing his functions and undertaking his duties under this Act, a liquidator, whether appointed by resolution of the members or by the High Court, acts as an officer of the High Court.

(2) A liquidator is the agent of the company in liquidation.

General duties of liquidator.

184.–(1) The principal duties of a liquidator of a company are–

(a) to take possession of, protect and realise the assets of the company;

(b) to distribute the assets or the proceeds of realisation of the assets in accordance with this Act; and

(c) if there are surplus assets remaining, to distribute them, or the proceeds of realisation of the surplus assets, in accordance with this Act.

(2) The liquidator shall, subject to this Act and the Regulations, use his own discretion in undertaking his duties.

(3) If it appears to the liquidator that the company has carried on unlicensed financial services business, the liquidator shall as soon as reasonably practicable report the matter to the Commission.

(4) Where the liquidator makes a report to the Commission under sub-section (3) the liquidator shall–

(a) send to the Commission a copy of every notice or other document that he is required

under this Part to send to a creditor or the High Court; and

(b) notify the Commission of any application made to the High Court in or in connection with the liquidation.

(5) A liquidator also has the other duties imposed by this Act and the Regulations and such duties as may be imposed by the High Court.

General powers of liquidator.

185.–(1) A liquidator of a company has the powers necessary to carry out the functions and duties of a liquidator under this Act and the powers conferred on him by this Act.

Schedule II.

(2) Without limiting sub-section (1), a liquidator has the powers specified in Schedule II.

(3) The High Court may provide that certain powers may only be exercised with the sanction of the High Court–

(a) where the liquidator is appointed by the High Court, on his appointment or subsequently; or

(b) where the liquidator is appointed by the members, at any time.

(4) Where a liquidator disposes of any assets of the company to a person connected with the company, the liquidator shall notify the creditors' committee, if any, of such disposition.

(5) The liquidator of a company, whether or not appointed by the High Court, may at any time apply to the High Court for directions in relation to a particular matter arising in the liquidation.

Removal of liquidator.

186.–(1) The High Court may, on application by a person specified in sub-section (2) or on its own motion, remove the liquidator of a company from office if–

(a) the liquidator–

(i) is not eligible to act as an insolvency practitioner in relation to the company;

(ii) breaches any duty or obligation imposed on him by or owed by him under this Act, the Regulations or the Regulations made under section 499 or, in his capacity as liquidator, under any other enactment or law in Belize; or

(iii) fails to comply with any direction or order of the High Court made in relation to the liquidation of the company; or

(b) the High Court is satisfied that–

(i) the liquidator's conduct of the liquidation is below the standard that may be expected of a reasonably competent liquidator;

(ii) the liquidator has an interest that conflicts with his role as liquidator; or

(iii) that for some other reason he should be removed as liquidator.

(2) An application to the High Court to remove the liquidator of a company may be made by–

(a) the creditors' committee;

(b) a creditor or member of the company; or

(c) the Official Receiver.

(3) Where the High Court removes a liquidator from office under this section–

(a) if, following his removal, there is at least one liquidator remaining in office, the High Court may appoint an eligible insolvency practitioner as liquidator in his place; or

(b) if the liquidator removed was the sole liquidator of the company, the High Court shall appoint the Official Receiver or an eligible insolvency practitioner as liquidator in his place.

(4) On the hearing of an application under this section, the High Court may make any interim or other order it considers fit.

Resignation of liquidator

187.–(1) A liquidator of a company–

(a) shall resign if the liquidator is no longer eligible to act as an insolvency practitioner in relation to the company; and

(b) may, in accordance with sub-section (4), resign if–

(i) if the liquidator intends to cease to be in practice as an insolvency practitioner;

(ii) if there is some conflict of interest or change of personal circumstances that precludes or makes impracticable the further discharge by him of his duties; or

(iii) on the grounds of ill health.

(2) Where a liquidator resigns under sub-section (1) *(a)*, the liquidator shall send a notice of his resignation to the creditors of the company, to the Registrar and to the Official Receiver and, if the liquidator was appointed by the High Court, to the High Court and his resignation takes effect from the date that the notice is received by the Official Receiver.

(3) Notwithstanding sub-section (1)*(b)*, where joint liquidators are appointed in respect of a company, one or more of the joint liquidators may resign in accordance with sub-section (4) if–

(a) all the joint liquidators are of the opinion that it is no longer necessary or expedient for the resigning liquidator or liquidators to continue in office; and

(b) at least one of them will remain in office.

(4) Where the liquidator of a company intends to resign on one of the grounds referred to in sub-section (1)*(b)* or under sub-section (3), the liquidator shall call a meeting of creditors for the purpose of accepting his resignation as liquidator.

(5) If the creditors resolve to accept the resignation of a liquidator, they may appoint an eligible insolvency practitioner as liquidator in his place.

(6) If the creditors refuse or fail to accept the resignation of the liquidator, the liquidator may apply to the High Court for leave to resign in accordance with the Regulations.

(7) This section does not apply to the Official Receiver when acting as the liquidator of a company.

Appointment of replacement liquidator.

188.–(1) Where the liquidator of a company dies or resigns under section 187, or is otherwise unable to perform the functions of a liquidator, and no liquidator is appointed in his place, the High Court, on the application of a person specified in sub-section (2) or on its own motion–

(a) if there is at least one liquidator remaining in place, may appoint an eligible insolvency practitioner as liquidator in his place; or

(b) if the liquidator who has died or resigned was the sole liquidator of the company, shall appoint the Official Receiver or an eligible insolvency practitioner in his place.

(2) An application under sub-section (1) may be made–

(a) by any continuing liquidator;

(b) by the creditors' committee, if any; or

(c) by the Official Receiver.

(3) Where the Official Receiver is the liquidator of a company, an eligible insolvency practitioner may be appointed in his place–

(a) on the application of the Official Receiver, by the High Court; or

(b) with the consent of the Official Receiver, by resolution of the creditors at a meeting called by the Official Receiver for that purpose.

(4) An application may be made under sub-section (3) notwithstanding that the High Court has refused to make an appointment on a previous application by the Official Receiver.

Remuneration of liquidator.

189. The remuneration payable to the liquidator of a company shall be fixed applying the principles set out in section 448.

Notification of liquidation.

190.–(1) Where a company is in liquidation, every document of a type specified in sub-section (2) shall–

(a) state that the company is in liquidation; and

(b) specify the name of the liquidator.

(2) Sub-section (1) applies to–

(a) every public document issued by or on behalf of the company;

(b) every public document issued by or on behalf of the liquidator of the company or a receiver of the assets of that company on which, in either case, the name of the company appears.

(3) If sub-section (1) is contravened the company, and each officer, receiver or liquidator of the company who causes, permits or acquiesces in the contravention, commits an offence.

Vesting of assets in liquidator.

191.–(1) On the application of the liquidator of a company, the High Court may order that all or any part of the assets of the company, or held by trustees on its behalf, shall vest in the liquidator from the date of the order.

(2) On the making of an order under sub-section (1), the assets covered by the order vest in the liquidator by his official name.

(3) The liquidator of a company may, after giving such indemnity, if any, as the High Court may direct, bring or defend in his official name any action or other legal

proceeding which relates to the vested assets or which it is necessary to bring or defend for the purposes of liquidating the company and recovering its assets.

Settlement of list of members.

192.–(1) Subject to sub-section (7), the liquidator of a company shall, as soon as practicable after his appointment, settle a list of the members of the company containing the information and in the form prescribed.

(2) Forthwith after settling the list of members, the liquidator shall give notice to every person included in the list that he has done so in accordance with the Regulations.

(3) If a person objects to any entry in, or exclusion from, the list of members as settled by the liquidator which is not accepted by the liquidator, he may apply to the High Court for an order removing the entry to which he objects or, as the case may be, modifying the entry.

(4) An application under sub-section (3) shall be made within 21 days of the service on the applicant of the liquidator's notice declining to accept the objection.

(5) The liquidator of a company is not personally liable for the costs incurred by a person in an application under sub-section (3) unless the High Court makes an order to that effect.

(6) The liquidator may from time to time vary or add to the list of members as previously settled by him and any variation or addition is subject, as regards any person affected, to the provisions of the Act and the Regulations applicable to the settling of the list.

(7) The liquidator is not required to settle a list of members under this section if it appears to him that it will not be necessary to require any member to contribute to the assets of the company or to adjust the rights of members.

Rectification of register of members.

193.–(1) If it appears to the liquidator of a company that the register of members of the company should be rectified, the liquidator may apply to the High Court for an order under this section.

(2) On an application under sub-section (1), the High Court may rectify the register of members of the company.

(3) The liquidator shall inform the Commission of the circumstances in sub-section (1) and (2) regarding the register.

Liability of members limited.

194.–(1) Unless the articles of a company provide that the liability of a member is unlimited, the liability of a member to contribute to the assets of a company in liquidation for the payment of its liabilities, for the expenses of the liquidation and for the adjustment of the rights of the members between themselves is limited to–

(a) any amount unpaid on a share held by the member, including any liability for calls; and

(b) any liability expressly provided for in the articles, including such contribution as the member of a company limited by guarantee, or by shares and guarantee, may have undertaken to make in the event of the company being wound up.

(2) Sub-section (1) does not affect–

(a) any liability of the member to pay or repay monies to the company imposed by a provision of this Act or the Belize Companies Act; or

(b) any liability of a member to the company under a contract, including a contract for the issue of shares, or for any tort, breach

of fiduciary duty or other actionable wrong committed by the member.

Liability of past members.

195.–(1) For the purposes of this section, a "past member" of a company is a person who ceased to be a member of the company at any time during the period of one year before the commencement of the liquidation of the company.

(2) Unless the High Court is satisfied that the members of a company are able to discharge the liabilities set out in section 194(1), a past member of a company in liquidation is liable to contribute to the assets of the company for the purposes specified in that sub-section to the same extent as a member.

(3) Notwithstanding sub-section (2), a past member is not liable to contribute to the assets of the company in respect of any liability of the company contracted after he ceased to be a member.

Dividends payable to member.

196. A member, and a past member, of a company may not claim in the liquidation of the company for a sum due to him in his character as a member, whether by way of dividend, profits, redemption proceeds or otherwise, but such sum is to be taken into account for the purposes of the final adjustment of the rights of members and, if appropriate, past members between themselves.

Liability where limited company becomes unlimited company.

197.–(1) This section applies where an unlimited company in liquidation was at some former time registered as a limited company.

(2) A person who ceased to be a member of a company before the company became registered as an unlimited company, and has not since become a member of the company, is liable to contribute to the assets of the company only to the extent that he would have been liable had the company remained registered as a limited company.

Liability where unlimited company becomes limited company.

198.–(1) This section applies where a limited company in liquidation was at some former time registered as an unlimited company.

(2) Notwithstanding section 195, if a company referred to in sub-section (1) goes into liquidation within the period of one year from the date on which it was registered as a limited company, a person who was a member of the company at the date of its registration as a limited company is liable, without limit, to contribute to the assets of the company in respect of liabilities contracted before that time.

Liability of personal representative.

199. The personal representatives of a member or past member who has died are liable to contribute out of his estate to the assets of the company under sections 194, 195, 197 and 198 to the same extent as the member.

Effect of member or past member becoming bankrupt.

200. The liquidator of a company is entitled to submit a claim in the bankruptcy or liquidation of any member or past member of the company in respect of any contribution that the member or past member is required to make under sections 194, 195, 197 and 198.

Status of personal representative or trustee in bankruptcy.

201. The personal representatives and the bankruptcy trustee of a member or past member of a company in liquidation are entitled to make any application to High Court, or take any such other action, as could be made or taken by the member or past member.

Insurance and other contracts not affected.

202. Nothing in this Act invalidates any provision contained in a policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted or whereby the funds of the company are alone made liable in respect of the policy or contract.

Power of liquidator to enforce liability of member or past member.

203.–(1) The liquidator of a company may–

(a) if a member is liable to calls, make calls on that member; and

(b) if a member or past member is liable to the company, as a member, require that person, by notice in writing, to discharge that liability.

(2) A call made under sub-section (1)*(a)* shall be in writing and shall specify the amount of, or balance due in respect of, the call.

(3) The liability of a member under sub-section (1) includes a liability of the estate of the person he represents.

(4) In the case of an unlimited company, a member may set-off against a liability under sub-section (1)*(b)* any money due to him or to the estate which he represents, from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit.

(5) The liquidator may enforce the liability of a member under sub-section (1) only if that member is on the list of members settled by him under section 192.

Summary remedy against members and past members.

204.–(1) The liquidator may apply to the High Court for an order under this section if–

(a) a member of a company fails to comply with a call made under section 203(1)*(a)*; or

(b) a member or past member fails to satisfy a liability when required to do so under section 203(1)*(b)*.

(2) On an application under sub-section (1), the High Court may order a member or past member to pay to the company any money due from him, or due from the estate of the person who he represents in accordance with section 203(1).

(3) In the case of any company, whether limited or unlimited, when all the creditors are paid in full, together with interest at the official rate, any money due on any account whatever to a member from the company may be allowed to him by way of set-off against any subsequent call.

Order under section 204 to be conclusive evidence.

205. An order made against a member under section 204 is, subject to any right of appeal, conclusive evidence that the money, if any, ordered to be paid is due.

Distribution of assets of company.

206.–(1) Unless and to the extent that this Act or any other enactment provides otherwise, the assets of a company in liquidation shall be applied–

(a) in paying, in priority to all other claims, the costs and expenses properly incurred in the liquidation in accordance with the prescribed priority;

(b) after payment of the costs and expenses of the liquidation, in paying the preferential claims admitted by the liquidator in accordance with the provisions for the payment of preferential claims prescribed;

(c) after payment of the preferential claims, in paying all other claims admitted by the liquidator; and

(d) after paying all admitted claims, in paying any interest payable under section 214.

(2) Subject to section 149, the claims referred to in sub-section (1) rank equally between themselves if the assets of the company are insufficient to meet the claims in full, they shall be paid rateably.

(3) Any surplus assets remaining after payment of the costs, expenses and claims referred to in sub-section (1)

shall be distributed to the members in accordance with their rights and interests in the company.

(4) For the purposes of this Act, assets held by a company in liquidation on trust for another person are not assets of the company.

Claims having priority over floating charges.

207. So far as the assets of a company in liquidation available for payment of the claims of unsecured creditors are insufficient to pay–

(a) the costs and expenses of the liquidation in accordance with the prescribed priority, and

(b) the preferential creditors, those costs, expenses and claims have priority over the claims of chargors in respect of assets that are subject to a floating charge created by the company and shall be paid accordingly out of those assets.

Claims by unsecured creditors.

208.–(1) An unsecured creditor may make a claim against a company in liquidation by submitting to the liquidator a written claim, signed by him or on his behalf.

(2) The liquidator may require an unsecured creditor who intends to submit, or who has submitted, a claim under sub-section (1)–

(a) to verify his claim by affidavit;

(b) to provide further particulars of his claim; or

(c) to provide him with documentary or other evidence to substantiate the claim.

(3) Subject to sub-section (7), as soon as reasonably practicable after receiving a claim under sub-section (1)

from a creditor who has complied with any requirements that the liquidator may have imposed under sub-section (2), the liquidator shall either admit or reject the claim in whole or in part.

(4) If the liquidator rejects the claim, whether in whole or in part, he shall as soon as practicable provide the creditor with a notice of rejection in which the reasons for the rejection of the claim shall be specified.

(5) Unless the High Court otherwise orders, a creditor shall bear the costs of making a claim under this section, including the costs of complying with any requirements imposed by the liquidator under sub-section (2).

(6) The liquidator shall not admit a claim against the company unless it has been made in accordance with this section.

(7) The liquidator is not required to admit or reject claims under sub-section (3) at any time when it appears to him that the company has insufficient assets to enable a distribution to be made to unsecured creditors.

(8) A person who makes or authorises the making of a claim under this section knowing that–

(a) the claim is false or misleading in a material matter; or

(b) a material fact or matter has been omitted from the claim, commits an offence.

Variation, withdrawal and expunging of claims.

209.–(1) A claim made under section 208 may–

(a) be amended or withdrawn by the creditor at any time before the liquidator has admitted it; and

(b) be amended or withdrawn by agreement between the creditor and the liquidator at any time after the liquidator has admitted it.

(2) The High Court, on the application of the liquidator or, where the liquidator declines to make application under this sub-section, a creditor, may expunge or amend an admitted claim if it is satisfied that the claim should not have been admitted or should be reduced.

Claims by secured creditors.

210.–(1) A secured creditor may–

(a) value the assets subject to the security interest and claim in the liquidation of a company as an unsecured creditor for the balance of his debt; or

(b) surrender his security interest to the liquidator for the general benefit of creditors and claim in the liquidation as an unsecured creditor for the whole of his debt, but he not obliged to do either.

(2) A secured creditor may, at any time apply to the liquidator to amend the value that he placed on the security interest in his claim.

(3) If, on receiving an application under sub-section (2), the liquidator is satisfied that–

(a) the value placed on the security interest was an estimate made in good faith on a mistaken basis; or

(b) the value of the security interest has subsequently changed, he may permit the secured creditor to amend the value that he places on the security interest.

(4) If the liquidator of a company is dissatisfied with the value placed on a security interest by a secured creditor, whether under sub-section (1)*(a)* or on an amendment under sub-section (3), he may require the assets comprised in the security interest to be offered for sale.

(5) A sale under sub-section (4) is to be on such terms and conditions as are agreed by the secured creditor and the liquidator or, in default, as the High Court determines.

Redemption of security interest by liquidator.

211.–(1) Where a secured creditor has claimed in the liquidation of a company under section 210(1)*(a)*, the liquidator may at any time give notice to the creditor that he proposes at the expiration of 28 days from the date of the notice to redeem the security interest at the value placed on it by the creditor.

(2) A secured creditor who receives a notice under sub-section (1) may, within 21 days of the date of the notice, apply to the liquidator to revise the value that he places on the security interest in accordance with section 210(2).

(3) At the expiration of 28 days from the date of the notice under sub-section (1), the liquidator may redeem the security interest at the value placed on it by the creditor unless–

(a) the secured creditor has applied to the liquidator to amend the value that he places on the security interest and that application has not been determined; or

(b) the secured creditor has appealed to the High Court against the refusal of the liquidator to permit him to amend the value that he places on his security interest, and that appeal has not been determined.

(4) Where, subsequent to a notice to redeem issued under sub-section (1), the value placed by the secured creditor on his security interest is amended, whether with the consent of the liquidator or on appeal to the High Court, the liquidator may only redeem the security interest at the new value.

(5) A secured creditor may, by serving a notice to elect on the liquidator, require the liquidator to elect whether or not to exercise his power to redeem under this section.

(6) Where a notice to elect is served on a liquidator under sub-section (5), the liquidator is not entitled to redeem the security interest unless the liquidator does so within 6 months of the date of service of the notice on him or within such extended period as the High Court may allow.

Realisation of security interest by secured creditor.

212.–(1) Where a secured creditor realises his security interest and there is a surplus remaining from the net amount realised after satisfaction of the debt secured, the secured creditor shall account to the liquidator for the surplus, after making any proper payments to the holder of any other security interest over the assets subject to that charge.

(2) Where a secured creditor realises his security interest and the net amount realised is not sufficient to satisfy the liability secured–

(a) if the creditor has previously valued his security interest and claimed in the liquidation for the balance under section 210(1)*(a)*, the net amount uthoriz is substituted for the value previously placed by the creditor on the security interest; or

(b) in any other case, the creditor may claim in the liquidation as an unsecured creditor for the balance of the secured liability.

(3) For the purposes of this section, the secured liability includes contractual interest payable to the secured creditor on the liability up to the time of its satisfaction.

Surrender for non-disclosure.

213.–(1) Subject to sub-section (2), if a secured creditor omits to disclose his security interest when submitting a claim in the liquidation of a company, the secured creditor shall surrender his security interest for the general benefit of the creditors.

(2) The High Court may, on application by a secured creditor who is required to surrender his security interest under sub-section (1), if it is satisfied that the omission was inadvertent or the result of an honest mistake by order direct–

(a) that he is not required to surrender his security interest; and

(b) that he values his security interest and amends his claim accordingly.

Interest after commencement of liquidation.

214.–(1) Interest is payable on any claim in the liquidation of a company in respect of the period after the commencement of the liquidation in accordance with this section.

(2) Any surplus remaining after the payment of all claims in the liquidation of a company shall, before being applied for any other purpose, be applied in paying interest on those claims in respect of the periods during which they have been unpaid since the commencement of the liquidation.

(3) Subject to section 150, all interest payable under this section ranks equally, whether or not the claims on which it is payable rank equally and if the assets of the company are insufficient to meet the claims in full, they shall be paid rateably.

(4) The rate of interest payable under this section is the greater of–

(a) the court rate; and

(b) the rate that would be applicable to the claim if a liquidator of the company had not been appointed.

Power to exclude creditors not claiming in time.

215.–(1) Where the liquidator of a company has sufficient funds to make a distribution, the liquidator shall, subject to the retention of such sums as may be necessary for his remuneration and the other costs and expenses of the liquidation, by written notice sent to the creditors of the company, fix a date on or before which creditors shall submit their claims to him.

(2) Where the liquidator sends a notice to creditors under sub-section (1), a creditor who does not submit a claim on or before the date specified in the notice is excluded from the benefit of any distribution on or after that date that is made before he submits his claim.

(3) Where the liquidator makes more than one distribution, sub-sections (1) and (2) apply to each distribution.

Liquidator may disclaim onerous property.

216.–(1) For the purposes of this section, "onerous property" means–

(a) an unprofitable contract; or

(b) assets of the company which are unsaleable or not readily saleable, or which may give rise to a liability to pay money or perform an onerous act.

(2) Subject to section 218, the liquidator of a company may, by filing a notice of disclaimer with the High Court, disclaim any onerous property of the company even though he has taken possession of it, tried to sell or assign it or otherwise exercised rights of ownership in relation to it.

(3) A liquidator who disclaims onerous property shall, within 14 days of the date on which the disclaimer notice is filed, give notice to every person whose rights are, to the knowledge of the liquidator, affected by the disclaimer.

(4) A liquidator who contravenes sub-section (3) commits an offence.

When disclaimer takes effect.

217.–(1) Subject to sub-section (2), a disclaimer takes effect on the date when the notice of disclaimer is filed at High Court.

(2) The disclaimer of property of a leasehold nature does not take effect unless a copy of the disclaimer notice has been given, so far as the liquidator is aware of their addresses, to every person claiming under the company as underlessee or mortgagee and either–

(a) no application for a vesting order is made under section 220 with respect to that property before the end of a period of 14 days beginning with the day on which the last notice under this sub-section was given; or

(b) where such an application is made, the High Court directs that the disclaimer shall take effect.

(3) Where the High Court gives a direction under sub-section (2)*(b)*, it may also, instead of or in addition to any order it makes under section 220, make such orders with respect to fixtures, tenant's improvements and other matters arising out of the lease as it considers fit.

Notice to liquidator to elect whether to disclaim.

218.–(1) A person interested in property or whose rights would be effected by the disclaimer of property may, by serving a notice to elect on the liquidator, require him to elect whether or not to disclaim the property.

(2) Where a notice to elect is served on a liquidator, the liquidator is not entitled to disclaim the property under section 216 unless the liquidator does so within 28 days of the date of service of the notice on him or within such extended period as the High Court may allow.

Effect of disclaimer.

219.–(1) A disclaimer of onerous property under section 216 operates so as to determine, with effect from the date of the disclaimer, the rights, interests and liabilities of the company in or in respect of the property disclaimed,

provided that, except so far as is necessary to release the company from liability, does not affect the rights or liabilities of any other person.

(2) A person suffering loss or damage as a result of a disclaimer of onerous property under section 216 may claim in the liquidation of the company as a creditor for the amount of the loss or damage.

Vesting orders and orders for delivery.

220.–(1) Subject to section 221, if a liquidator disclaims onerous property under section 216, the High Court may make an order under sub-section (2) on the application of–

(a) a person who claims an interest in the disclaimed property; or

(b) a person who is under a liability in respect of the disclaimed property, that has not been discharged by the disclaimer.

(2) On an application under sub-section (1), the High Court may, on such terms as it considers fit, order that the disclaimed property be vested in or delivered to–

(a) a person entitled to the property;

(b) a person under a liability in respect of the property that has not been discharged by the disclaimer; or

(c) a trustee for a person referred to in paragraph *(a)* or *(b)*.

(3) The High Court shall not make an order in respect of a person specified in sub-section (2)*(b)*, or in respect of a trustee of such a person, unless it appears to the High Court that it would be fair to do so for the purpose of compensating the person subject to the liability in respect of the disclaimer.

(4) The effect of any order under this section shall be taken into account in assessing the extent of the loss or damage suffered by a person for the purposes of section 219(2).

(5) Subject to sub-section (6), where a vesting order is made under this section vesting property in a person, the property vests immediately without any conveyance, transfer or assignment.

(6) Where another enactment–

(a) requires the transfer of property vested by an order under this section to be registered; and

(b) that enactment enables the order to be registered, on the making of a vesting order,

the property vests in equity but does not vest at law until the registration requirements of the enactment have been complied with.

Vesting orders in respect of leases.

221.–(1) Where the High Court makes an order under section 220 vesting property of a leasehold nature in a person claiming under the company in liquidation as an underlessee or a mortgagee, the vesting order shall be made on terms that make that person subject–

(a) to the same liabilities and obligations as the company was subject to under the lease at the commencement of the liquidation; or

(b) to the same liabilities and obligations as that person would have been subject to if the lease had been assigned to him at the commencement of the liquidation.

(2) Where the property vested by an order under section 220 relates to only part of the property comprised in a lease, sub-section (1) applies as if the lease comprised the property subject to the vesting order.

(3) Where no underlessee or mortgagee is willing to accept a vesting order made subject to sub-section (1), the High Court, by order–

(a) may vest the property in any person who is liable, whether personally or in a representative capacity and whether alone or jointly with the company, to perform the lessee's covenants in the lease; and

(b) where a vesting order is made under paragraph *(a)*, may vest the property free from all estates, encumbrances and interests created by the company.

(4) Where an underlessee or a mortgagee declines to accept a vesting order made subject to sub-section (1), he is excluded from all interest in the property.

Land subject to rent charge.

222. Where land subject to a rentcharge is disclaimed and that land vests by operation of law in any person, including the Crown, that person and his successors in title are not subject to any personal liability in respect of any sums becoming due under the rentcharge except sums becoming due after

he, or some person claiming title under or through him, has taken possession or control of the land or has entered into occupation of it.

Disclaimer presumed valid.

223. Unless it is proved that a liquidator has breached his duty to give notice under section 216(3) or that he has otherwise breached his duties under this Act or the Regulations with regard to disclaimer, a disclaimer of property by the liquidator is presumed to be valid and effective.

Statement of affairs.

224.–(1) In this section, "relevant person" has the meaning specified in section 267.

(2) The liquidator or provisional liquidator of a company may require one or more relevant persons to prepare a statement of affairs of the company in accordance with Part X, Sub-Part 2.

(3) Subject to section 266, the liquidator or provisional liquidator shall file with the High Court each statement of affairs and each affidavit of concurrence that he receives.

(4) Sub-section (3) does not apply to a liquidator appointed by the members of a company.

Preliminary report.

225.–(1) The liquidator of a company shall, within 60 days of the commencement of the liquidation, prepare a preliminary report covering, to the best of his knowledge and belief, the following matters–

(a) in the case of a company with share capital, the amount of capital issued, subscribed and paid up;

(b) the assets and liabilities of the company;

(c) if the company has failed, the causes of the failure; and

(d) whether, in his opinion, further enquiries are desirable with respect to–

(i) any matter relating to the promotion, formation or insolvency of the company or the conduct of the business or affairs of the company; and

(ii) possible claims under Part X.

(2) The liquidator shall send a copy of the report prepared under sub-section (1)–

(a) to each creditor of the company; and

(b) if in his report he states that further enquiries are desirable with respect to a matter referred to in sub-section (1)*(d)*, to the Official Receiver.

(3) Sub-section (2)*(b)* does not apply to the Official Receiver when he is acting as the liquidator of a company.

(4) The High Court may, on the application of the liquidator, extend the period specified in sub-section (1) on such terms and conditions as it considers fit.

Duty of Official Receiver concerning report under section 225.

226. Where the Official Receiver receives a report under section 225, he shall carry out such investigation, if any, as he considers appropriate.

Liquidator to call meetings of creditors.

227.–(1) The liquidator shall call a meeting of the creditors of a company in liquidation if–

(a) a meeting is requisitioned by the creditors of the company in accordance with sub-section (2); or

(b) the liquidator is directed to do so by the High Court.

(2) A creditors' meeting may be requisitioned in accordance with the Regulations by 10% in value of the creditors of the company.

Rescission of contracts by the High Court.

228.–(1) On the application of a person who is, as against the liquidator of a company, entitled to the benefit or subject to the burden of a contract made with the company, the High Court may make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the High Court considers just.

(2) Any damages payable to a person under an order made under sub-section (1) may be claimed by him as a debt in the liquidation of the company.

Inspection of books by creditors.

229.–(1) At any time after the appointment of a liquidator of a company, the High Court may, on such terms as it considers appropriate, make an order for the inspection of specified books, records and documents of the company that are in its possession.

(2) Application for an order under sub-section (1) may be made by a creditor or member of the company.

Enforcement of liquidator's duties.

230.–(1) In this section, "specified person" means–

(a) the Official Receiver;

(b) a creditor of a company in liquidation; or

(c) a member of a company in liquidation.

(2) If a liquidator fails to file any notice, return, account or other document, a specified person may serve a notice on the liquidator requiring him to remedy the default.

(3) If a liquidator fails to remedy the default specified in a notice served under sub-section (1) within 14 days of service of the notice on him, any specified person may apply to the High Court for an order that the liquidator remedy the default within such time as the High Court may specify.

(4) The High Court may order that the costs of and incidental to an application under this section are payable by the liquidator personally.

(5) A liquidator who fails to comply with an order made under sub-section (3) commits an offence.

(6) This section does not prejudice any other provision of this Act or any other enactment.

Termination of liquidation.

231. The liquidation of a company terminates on the first occurring of–

(a) the making by the High Court of an order terminating the liquidation under section 232, or such later date as may be specified in the order;

(b) the filing by the liquidator of a certificate of compliance with the provisions of section 233(2), as modified by the High Court under section 233(4), if appropriate; or

(c) the making by the High Court of an order under section 233(4) exempting the liquidator from compliance with 233(2), or such later date as may be specified in the order.

Order terminating liquidation.

232.–(1) The High Court may, at any time after the appointment of the liquidator of a company, make an order terminating the liquidation if it is satisfied that it is just and equitable to do so.

(2) An application under this section may be made by the liquidator, a creditor, a director or a member of the company or the Official Receiver.

(3) Before making an order under sub-section (1), the High Court may require the liquidator to file a report with respect to any matters relevant to the application.

(4) An order under sub-section (1) may be made subject to such terms and conditions as the High Court considers appropriate and, on making the order or at any time thereafter, the High Court may give such supplemental directions or make such other order as it considers fit in connection with the termination of the liquidation.

(5) Where the High Court makes an order under sub-section (1), the company ceases to be in liquidation and the liquidator ceases to hold office with effect from the date of the order or such later date as may be specified in the order.

(6) Where the High Court makes an order under sub-section (1), the person who applied for the order shall, within 10 days of the date of the order, file a sealed copy of the order with the Registrar.

(7) A person who contravenes sub-section (6) commits an offence.

Completion of liquidation. Act No. 11 of 2022.

233.–(1) In this section "Register" means the Register of companies maintained by the Registrar under the Belize Companies Act.

(2) As soon as practicable after completing his duties in relation to the liquidation of a company, the liquidator shall–

(a) prepare and send to every creditor of the company whose claim has been admitted and to every member of the company–

(i) his final report, complying with sub-section (3), and a statement of realisations and distributions in respect of the liquidation; and

(ii) a summary of the grounds upon which a creditor or member may object to the striking of the company from the Register; and

(b) file with the Registrar a copy of the final report and the statement of realisations and distributions sent to the creditors and members of the company.

(3) The final report of a liquidator shall contain a statement–

(a) that all known assets of the company have been disclaimed, realised or distributed without realisation;

(b) that all proceeds of realisation have been distributed; and

(c) that there is no reason why, in his opinion, the company should not be struck from the Register, and dissolved.

(4) On the application of the liquidator, the High Court may on such terms and conditions as it considers just–

(a) exempt the liquidator from compliance with sub-section (2)*(a)*; or

(b) modify the application of the provisions of sub-section (2) to the liquidator.

Release of liquidator.

234.–(1) A person who ceases to be the liquidator, or provisional liquidator, of a company may apply to the High Court for his release and the Court may grant the release unconditionally or upon such conditions as it considers fit, or it may withhold it.

(2) If the High Court withholds the release, it may make a compensation order against the former liquidator under section 246.

(3) Subject to sub-section (5), where a former liquidator is released under this section, he is discharged from all liability in respect of any act or default of his in relation to the administration of the company.

(4) An order for the release of a former liquidator may be revoked by the High Court if the release was obtained by fraud or the suppression or concealment of any material fact.

(5) Sub-section (3) does not prevent the High Court from making an order under section 246 against a liquidator who has been released under this section.

(6) Where the Official Receiver ceases to be liquidator and another liquidator is appointed in his place, the Official Receiver obtains his release–

(a) from the appointment of the new liquidator; or

(b) such later date as the High Court may determine.

(7) A liquidator who obtains his release under this section shall file a notice in the prescribed form with the Registrar.

Dissolution.

235. The Regulations shall provide for the dissolution of a company on the termination and completion of the liquidation of the company.

PART VII

Voidable Transactions

Interpretation of this Part.

236.–(1) In this Part–

"insolvent liquidation" means a liquidation of a company where the assets of the company are insufficient to pay its liabilities and the expenses of the liquidation;

"insolvency transaction" has the meaning specified in sub-section (2);

"officer holder" means–

(a) in the case of a company in administration, its administrator; and

(b) in the case of a company in liquidation, its liquidator;

"onset of insolvency" means–

(a) the date on which the application for the administration order was filed, where a company is in administration or is in liquidation and the liquidator was appointed by the High Court immediately following the discharge of an administration order;

(b) the date on which the application for the appointment of the liquidator was filed, where a company is in liquidation and the liquidator was appointed by the High Court in circumstances other than those set out in paragraph *(a)*; or

(c) the date of the appointment of the liquidator, where a company is in liquidation and the liquidator was appointed by the members;

"voidable transaction" means–

(a) an unfair preference;

(b) an undervalue transaction;

(c) a floating charge that is voidable under section 239; and

(d) an extortionate credit transaction;

"vulnerability period" means–

(a) for the purposes of sections 237, 238 and 239–

(i) in the case of a transaction entered into with, or a preference given to, a connected person, the period commencing 2 years prior to the onset of insolvency and ending on the appointment of the administrator or, if the company is in liquidation, the liquidator; and

(ii) in the case of a transaction entered into with, or a preference given to, any other person, the period commencing six months prior to the onset of insolvency and ending on the appointment of the administrator or, if the company is in liquidation, the liquidator; and

(b) for the purposes of section 240, the period commencing 5 years prior to the onset of insolvency and ending on the appointment of the administrator or, if the company is in liquidation, the liquidator.

(2) A transaction is an insolvency transaction if–

(a) it is entered into at a time when the company is insolvent; or

(b) it causes the company to become insolvent.

(3) For the purposes of sub-section (2), "insolvent" has the meaning specified in section 8(1) with the deletion of paragraph *(c)(i)*.

(4) This Part applies in respect of–

(a) a company that is in administration; and

(b) a company and a foreign company that is in liquidation and, where appropriate, "company" includes a foreign company.

(5) This Part applies subject to Part XII on Netting.

Unfair preferences.

237.–(1) Subject to sub-section (2), a transaction entered into by a company is an unfair preference given by the company to a creditor if the transaction–

(a) is an insolvency transaction;

(b) is entered into within the vulnerability period; and

(c) has the effect of putting the creditor into a position which, in the event of the company going into insolvent liquidation, will be better than the position he would have been in if the transaction had not been entered into.

(2) A transaction is not an unfair preference if the transaction took place in the ordinary course of business.

(3) A transaction may be an unfair preference notwithstanding that it is entered into pursuant to the order of a court or tribunal in or outside Belize.

(4) Where a transaction entered into by a company within the vulnerability period has the effect specified in sub-section (1) in respect of a creditor who is a connected person, unless the contrary is proved, it is presumed that the transaction was an insolvency transaction and that it did not take place in the ordinary course of business.

Undervalue transactions.

238.–(1) Subject to sub-section (2), a company enters into an undervalue transaction with a person if–

(a) the company makes a gift to that person or otherwise enters into a transaction with that person on terms that provide for the company to receive no consideration; or

(b) the company enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the company; and

(c) in either case, the transaction concerned–

(i) is an insolvency transaction; and

(ii) is entered into within the vulnerability period.

(2) A company does not enter into an undervalue transaction with a person if–

(a) the company enters into the transaction in good faith and for the purposes of its business; and

(b) at the time when it enters into the transaction, there were reasonable grounds for believing that the transaction would benefit the company.

(3) A transaction may be an undervalue transaction notwithstanding that it is entered into pursuant to the order of a court or tribunal in or outside Belize.

(4) Where a company enters into a transaction with a connected person within the vulnerability period and the transaction falls within sub-section (1)*(a)* or sub-section (1), unless the contrary is proved, it is presumed that–

(a) the transaction was an insolvency transaction; and

(b) sub-section (2) did not apply to the transaction.

Voidable floating charges.

239.–(1) Subject to sub-section (2), a floating charge created by a company is voidable if–

(a) it is created within the vulnerability period; and

(b) it is an insolvency transaction.

(2) A floating charge is not voidable to the extent that it secures–

(a) money advanced or paid to the company, or at its direction, at the same time as, or after, the creation of the charge;

(b) the amount of any liability of the company discharged or reduced at the same time as, or after, the creation of the charge;

(c) the value of assets sold or supplied, or services supplied, to the company at the same time as, or after, the creation of the charge; and

(d) the interest, if any, payable on the amount referred to in paragraphs *(a)* to *(c)* pursuant to any agreement under which the money was advanced or paid, the liability was discharged or reduced, the assets were sold or supplied or the services were supplied.

(3) For the purposes of this section, where a company creates a floating charge in favour of a connected person within the vulnerability period, unless the contrary is proved, it is presumed that the charge was an insolvency transaction.

(4) For the purposes of sub-section (2)*(c)*, the value of assets or services sold or supplied is the amount in money which, at the time they were sold or supplied, could reasonably have been expected to be obtained for the sale or supply of the goods or services in the ordinary course of business and on the same terms, apart from the consideration, as those on which the assets or services were sold or supplied to the company.

Extortionate credit transactions.

240. A transaction entered into by a company within the vulnerability period for, or involving the provision of, credit to the company is an extortionate credit transaction if, having regard to the risk accepted by the person providing the credit–

(a) the terms of the transaction are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of credit; or

(b) the transaction otherwise grossly contravenes ordinary principles of fair trading.

Orders in respect of voidable transactions.

241.–(1) Subject to section 242, where it is satisfied that a transaction entered into by a company is a voidable transaction the High Court, on the application of the office holder–

(a) may make an order setting aside the transaction in whole or in part;

(b) in respect of an unfair preference or an undervalue transaction, may make such order as it considers fit for restoring the position to what it would have been if the company had not entered into that transaction; and

(c) in respect of an extortionate credit transaction, may by order provide for any one or more of the following–

(i) the variation of the terms of the transaction or the terms on which any security interest for the purposes of the transaction is held;

(ii) the payment by any person who is or was a party to the transaction to the office holder of any sums paid by the company to that person by virtue of the transaction;

(iii) the surrender by any person to the office holder of any asset held by him as security for the purposes of the transaction; and

(iv) the taking of accounts between any persons.

(2) Without prejudice to the generality of sub-section (1)*(b)*, an order under that paragraph may–

(a) require any assets transferred as part of the transaction to be vested in the company;

(b) require any assets to be vested in the company if it represents in any person's hands the application either of the proceeds of sale of assets transferred or of money transferred, in either case as part of the transaction;

(c) release or discharge, in whole or in part, any security interest given by the company or the liability of the company under any contract;

(d) require any person to pay, in respect of benefits received by him from the company, such sums to the office holder as the High Court may direct;

(e) provide for any surety or guarantor whose obligations to any person were released or discharged, in whole or in part, under the transaction, to be under such new or revived obligations to that person as the High Court considers appropriate;

(f) provide for security to be provided for the discharge of any obligation imposed by or arising under the order, for such an obligation to be charged on any assets and for the security interest or charge to have the same priority as a security interest or charge released or discharged, in whole or in part, under the transaction;

(g) provide for a person effected by an order made under sub-section (1) to submit a claim in the liquidation of the company in such amount as the High Court considers fit; and

(h) require the company to make a payment or transfer assets to any person affected by an order made under sub-section (1).

(3) Subject to section 237, in respect of an unfair preference or an undervalue transaction, an order under sub-section (1) may affect the assets of, or impose any obligation on, any person whether or not he is the person with whom the company in question entered into the transaction.

Limitations on orders under section 241.

242.–(1) This section applies to an order made under section 241(1) in respect of an unfair preference or an undervalue transaction.

(2) An order to which sub-section (1) applies shall not–

(a) prejudice any interest in assets that was acquired in good faith and for value from a person other than the company, or prejudice any interest deriving from such an interest; or

(b) require a person who received a benefit from the transaction in good faith and for value to pay a sum to the office holder, except where that person was a party to the transaction or, in respect of an unfair preference, the preference was given to that person when he was a creditor of the company.

(3) For the purposes of sub-section (2), where a person would, apart from the requirement for good faith, fall within the circumstances specified in paragraph *(a)* or *(b)*, it is presumed, unless the contrary is proved, that he acquired the interest or received the benefit in good faith.

(4) Sub-section (3) does not apply to a person–

(a) who, at the time of the transaction, had notice of–

(i) the fact that the transaction was an unfair preference or an undervalue transaction, as the case may be; or

(ii) the relevant proceedings as defined in sub-section (5); or

(b) who was, at the time of the transaction, a connected person.

(5) For the purposes of sub-section (4), a person has notice of the relevant proceedings if–

(a) in the case of a company in administration, he had notice of the filing of the application on which the administration order was made;

(b) in the case of a company where a liquidator was appointed immediately following the discharge of an administration order, he had notice of the filing of the application on which the administration order was made or the filing of the application on which the order appointing a liquidator was made; or

(c) in the case of a company where a liquidator was appointed in circumstances other than those set out in paragraph *(b)*, he had notice of the filing of the application on which the order appointing a liquidator was made.

Recoveries.

243. Any money paid to, assets recovered or other benefit received by the liquidator as a result of an order made under section 249 are deemed to be assets of the company available to pay unsecured creditors of the company.

Remedies not exclusive.

244. The provisions of this Part apply without prejudice to the availability of any other remedy, even in relation to a transaction that the company had no power to enter into.

PART VIII

Malpractice

Interpretation of this Part.

245. In this Part–

(a) a company or a foreign company goes into insolvent liquidation if a liquidator is appointed at a time when its assets are insufficient to pay its liabilities and the expenses of the liquidation; and

(b) a relevant company is a company or a foreign company that has gone into insolvent liquidation.

Summary remedy against delinquent officers and others.

246.–(1) On the application of the liquidator of a relevant company, the High Court may make an order under sub-section (3) where it is satisfied that a person specified in sub-section (2)–

(a) has misapplied or retained, or become accountable for any money or other assets of the company; or

(b) has been guilty of any misfeasance or breach of any fiduciary or other duty in relation to the company.

(2) An order under sub-section (3) may be made against a person–

(a) who is or has been an officer of the company;

(b) who has acted as liquidator of the company;

(c) who, in the case of a relevant company that is not a foreign company, has acted as administrator, administrative receiver, supervisor or interim supervisor of the company; or

(d) who, not being a person falling within paragraphs *(a)* or *(b)*, is or has been concerned in the promotion, formation, management, liquidation or dissolution of the company.

(3) Where sub-section (1) applies, the High Court may make one or more of the following orders against the person–

(a) that he repays, restores or accounts for the money or other assets, or any part of it;

(b) that he pays to the company as compensation for the misfeasance or breach of duty such sum as the High Court considers just; and

(c) that he pays interest to the company at such rate as the High Court considers just.

(4) The High Court shall not make an order under sub-section (3) unless it has given the person the opportunity–

(a) to give evidence, call witnesses and bring other evidence in relation to the application; and

(b) to be represented, at his own expense, by a legal practitioner who may put to him, or to other witnesses, such questions as the High Court may allow for the purpose of explaining or qualifying any answers or evidence given.

(5) Application may not be made for an order under this section against a liquidator or an administrator who has been released, except with the leave of the High Court.

(6) Nothing in this section prevents any person from instituting any other proceedings in relation to matters in respect of which an application may be made under this section.

Fraudulent trading.

247.–(1) On the application of the liquidator of a relevant company, the High Court may make an order under sub-section (2) where it is satisfied that, at any time before the commencement of the liquidation of the company, any of its business has been carried on–

(a) with intent to defraud creditors of the company or creditors of any other person; or

(b) for any fraudulent purpose.

(2) Where sub-section (1) applies, the High Court may declare that any person who was knowingly a party to the carrying on of the business in such manner is liable to make such contribution, if any, to the company's assets as the High Court considers proper.

Insolvent trading.

248.–(1) On the application of the liquidator of a relevant company, the High Court may make an order under sub-section (2) against a person who is or has been a director of the company if it is satisfied that–

(a) at any time before the commencement of the liquidation of the company, that person knew or ought to have concluded that there was no reasonable prospect that the company would avoid going into insolvent liquidation; and

(b) he was a director of the company at that time.

(2) Subject to sub-section (3), where sub-section (1) applies, the High Court may order that the person concerned makes such contribution, if any, to the company's assets as the High Court considers proper.

(3) The High Court shall not make an order against a person under sub-section (2) if it is satisfied that after he first knew, or ought to have concluded, that there was no reasonable prospect that the company would avoid going into insolvent liquidation, he took every step reasonably open to him to minimise the loss to the company's creditors.

(4) For the purposes of sub-sections (1) and (3), the facts which a director of a company ought to know or ascertain, the conclusions which he ought to reach and the steps reasonably open to him which he ought to take are those which would be known or ascertained, or reached or taken, by a reasonably diligent person having both–

(a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company; and

(b) the general knowledge, skill and experience that that director has.

(5) The reference in sub-section (4) to the functions carried out in relation to a company by a director of the company includes any function which he does not carry out but which has been entrusted to him.

(6) Nothing in this section affects section 247.

Recoveries under sections 247 and 248.

249. Any money paid to, assets recovered, or other benefit received by the liquidator as a result of an order made under section 247 or section 248 are deemed to be assets

of the company available to pay unsecured creditors of the company.

Ancillary orders.

250.–(1) Where the High Court makes an order under section 247 or section 248, it may give such directions or make such further order as it considers proper for giving effect to the order.

(2) Without limiting sub-section (1), the High Court may–

(a) provide for the liability of any person under the order to be a charge on any debt or obligation due from the company to him, or on any mortgage or charge or any interest in a mortgage or charge on assets of the company held by or vested in him, or any person on his behalf, or any person claiming as assignee from or through the person liable or any person acting on his behalf; and

(b) from time to time make such further order as may be necessary for enforcing any charge imposed under this sub-section.

(3) For the purposes of sub-section (2), "assignee"–

(a) includes a person to whom or in whose favour, by the directions of the person made liable, the debt, obligation, mortgage or charge was created, issued or transferred or the interest created; but

(b) does not include an assignee for valuable consideration, not including consideration by way of marriage, given in good faith and without notice of any of the matters on the ground of which the declaration is made.

(4) Where the High Court makes a declaration under either section 247 or 248 in relation to a person who is a creditor of the company, it may direct that the whole or any part of any debt owed by the company to that person and any interest on the debt shall rank in priority after all other debts owed by the company and after any interest on those debts.

(5) Sections 247 and 248 have effect notwithstanding that the person concerned may be criminally liable in respect of matters on the ground of which the declaration under the section is to be made.

PART IX

Disqualification Orders and Undertakings

Interpretation of this Part.

251.–(1) In this Part "voluntary liquidator" means–

(a) a liquidator appointed by the directors or members of a business; or

Act No. 11 of 2022.

(b) a voluntary liquidator within the meaning specified in the Belize Companies Act.

(2) For the purposes of this Part, a company becomes insolvent if–

(a) an administration order is made in respect of the company;

(b) an administrative receiver of the company is appointed;

(c) a liquidator of the company is appointed at a time when its assets are insufficient to pay its liabilities and the expenses of the liquidation; or

(d) a liquidator is appointed by the High Court on the ground specified in section 161(1)*(c)*.

Disqualification orders and undertakings.

252.–(1) A disqualification order is an order that a person shall not, for the period specified in the order, engage in a prohibited activity without the leave of the High Court.

(2) A disqualification undertaking is an undertaking in writing given by a person to the Official Receiver that he will not, for the period specified in the undertaking, engage in a prohibited activity without the leave of the High Court.

(3) For the purpose of this Part, a person engages in a prohibited activity if–

(a) that person is a director of a company;

(b) that person acts as the voluntary liquidator of a company;

(c) that person acts as the receiver of the assets of a company;

(d) that person acts as an insolvency practitioner; or

(e) in any way, whether directly or indirectly, that person is concerned with or takes part in the promotion, formation or management of a company; or

(f) that person undertakes any activity prescribed as a prohibited activity.

(4) A person is a "disqualified person" for the period in which–

(a) a disqualification order has effect against him; or

(b) a disqualification undertaking is in place in respect of him.

(5) The period specified in a disqualification order, or disqualification undertaking, made against or in respect of a person, runs concurrently with the period specified in any other disqualification order or disqualification undertaking made against or in respect of that person.

Application for disqualification order.

253.–(1) Subject to sub-section (2), the Official Receiver may apply to the High Court for a disqualification order against a person under section 254.

(2) An application for a disqualification order may not be made more than 6 years after the date on which the company concerned became insolvent.

Hearing of application for disqualification order.

254.–(1) On an application under section 253, the High Court may, make a disqualification order against a person–

(a) who has been convicted on indictment–

(i) of an offence in connection with the promotion, formation, management or dissolution of a company that is or becomes insolvent; or

(ii) of an offence under this Act that relates to a company that at any time becomes insolvent, whether the person w a s convicted before or after the company became insolvent;

(b) who has had an order under section 247 or section 248 made against him; or

(c) who is or has been a director, voluntary liquidator or receiver of a company that is or becomes insolvent, whether while he was

a director, voluntary liquidator or receiver or subsequently; and–

(i) has been guilty of fraud in relation to the company or of any misfeasance or breach of duty as a director, voluntary liquidator or receiver of the company;

(ii) where the High Court is of the opinion that the person's conduct as director, voluntary liquidator or receiver, either taken alone or taken together with his conduct as a director, voluntary liquidator or receiver of any other company or companies, makes him unfit to be concerned in the promotion, formation or management of companies or in their liquidation or dissolution.

(2) For the purposes of sub-section (1), "receiver" means a receiver other than an administrative receiver.

(3) The reference in sub-section (1)*(c)(ii)* to a person's conduct as a director, voluntary liquidator or receiver of a company includes that person's conduct in relation to any matter connected with or arising out of the insolvency of that company.

(4) The High Court shall, on making a disqualification order, specify the period for which the order has effect.

(5) The period referred to in sub-section (4) shall commence on a date no earlier than the date of the order and no later than 28 days after the date of the order and shall not exceed 10 years.

(6) A person against whom an application for a disqualification order is made may appear and give evidence or call witnesses on the hearing of the application.

Matters for determining unfitness of directors.

255. Without limiting section 254(1)*(c)(ii)*, in determining whether a person's conduct as a director, voluntary liquidator or receiver of a company makes him unfit to be concerned in the promotion, formation or management of companies or in their liquidation or dissolution, the High Court shall, as respects his conduct as a director, voluntary liquidator or receiver of that company, have regard in particular to–

(a) any misfeasance or breach of any fiduciary or other duty by him in relation to the company;

(b) any misapplication or retention by him of, or any conduct by the director giving rise to an obligation to account for, any money or other assets of the company;

(c) the extent of his responsibility for the company entering into any transaction liable to be set aside under Part VII;

(d) in the case of a director–

Act No. 11 of 2022.

(2) where the company or the board has persistently failed to comply with the Belize Companies Act, as the case may be, the extent of his responsibility for such failure;

(ii) the extent of his responsibility for the causes of the company becoming insolvent; and

(iii) the extent of his responsibility for any failure by the company to supply any goods or services which have been paid for (in whole or in part);

(e) failure to comply with any obligation imposed on him under this Act; and

(f) in the case of a voluntary liquidator, any failure to comply with Part XIV of the Belize Companies Act.

Act No. 11 of 2022.

Disqualification undertaking.

256.–(1) A person against whom a disqualification order could be made under section 254 may offer the Official Receiver a disqualification undertaking, whether or not the Official Receiver has made an application against him under that section.

(2) The Official Receiver may accept an offer made to him under sub-section (1) if he considers that–

(a) there is a reasonable prospect that, on the hearing of an application under section 254, the High Court would make a disqualification order against the person offering the undertaking; and

(b) it is expedient and in the public interest to accept the offer.

(3) A disqualification undertaking shall specify a period, commencing on the date of the undertaking, for which the undertaking has effect.

(4) The period referred to in sub-section (3) shall not exceed 10 years.

General provisions concerning disqualification orders and undertakings.

257.–(1) A disqualification order may be made, or a disqualification undertaking accepted, on grounds which are or include matters other than criminal convictions, notwithstanding that the person concerned may be criminally liable in respect of those matters.

(2) Where the High Court makes a disqualification order, or the Official Receiver accepts a disqualification undertaking, the Official Receiver shall, within 14 days of

the date of the order or of his acceptance of the undertaking, file a notice in the prescribed form with the Registrar.

Variation of disqualification order or undertaking.

258.–(1) The High Court may, on the application of a disqualified person, vary a disqualification order or a disqualification undertaking.

(2) Without limiting sub-section (1), an order under that sub-section may–

(a) reduce the period for which the disqualification order, or undertaking, is in force; or

(b) in the case of a disqualification undertaking, provide for it to cease to be in force.

(3) An application for an order under sub-section (1) shall be served on the Official Receiver no less than 14 days prior to the date of the hearing and the Official Receiver shall appear or be represented and is entitled to call or give evidence at the hearing.

(4) Where the High Court varies a disqualification order or undertaking, the Official Receiver shall, within 14 days of the date of the order, file a notice in the prescribed form with the Registrar.

Offence provision.

259. A disqualified person who engages in a prohibited activity commits an offence.

Liability for engaging in prohibited activity.

260.–(1) A disqualified person incurs personal liability for the debts of a company in accordance with sub-section (2) if, without the leave of the High Court–

(a) the disqualified person is involved in the management of a company; or

(b) as a person involved in the management of a company, the disqualified person acts on

the instructions of a person he knows to be a disqualified person or an undischarged bankrupt.

(2) Subject to sub-section (3), the liability of a person to whom sub-section (1) applies is–

(a) to a liquidator of the company for every outstanding liability; and

(b) to a creditor of the company for a liability to that creditor, incurred by the company at a time when sub-section (1) applies to him.

(3) A creditor may not take action against a person under sub-section (2)*(b)* if the company is in liquidation.

(4) For the purposes of sub-section (1), a person is involved in the management of a company if–

(a) that person is a director of the company; or

(b) that person is concerned, whether directly or indirectly, or takes part, in the management of the company.

(5) For the purposes of this section, a person who, as a person involved in the management of a company, has at any time acted on instructions given without the leave of the court by a person whom he knew at that time to be a disqualified person or to be an undischarged bankrupt is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by that person.

Official Receiver to appear on certain applications.

261. The Official Receiver shall appear and call the attention of the High Court to any matters which seem to him to be relevant, and may himself give evidence or call witnesses on the hearing of–

(a) an application by the Official Receiver for a disqualification order;

(b) an application made by any person for leave under this Part.

Register of disqualification orders.

262.–(1) The Registrar shall register in a Register of Disqualification Orders and Undertakings to be maintained by him for the purpose of–

(a) each disqualification order or undertaking in respect of which notice is filed under section 257; and

(b) each variation of a disqualification order or undertaking in respect of which notice is filed under section 258.

(2) When a disqualification order or undertaking ceases to be in force, the Registrar shall delete the entry from the Register.

(3) The Register of Disqualification Orders and Undertakings shall be open to inspection on payment of such fee as may be prescribed.

(4) No person shall be construed as having knowledge that another person is a disqualified person by virtue of an entry in the Register of Disqualification Orders.

Duties of office holders.

263.–(1) If it appears to the liquidator, administrator or administrative receiver of a company that the conduct of a director or former director of the company, either taken alone or taken together with his conduct as a director of any other company or companies, makes him unfit to be concerned in the management of companies, he shall, as soon as practicable, prepare a written report in the prescribed form and send it to the Official Receiver.

(2) The Official Receiver may by notice in writing require a liquidator, administrator or administrative receiver who has sent him a report under sub-section (1) to–

(a) provide him with such information or explanations, or

(b) to produce such books, records or other documents, as he may reasonably require for considering or preparing an application for an order under section 254.

(3) If a liquidator, administrator or administrative receiver fails to comply with a notice issued under sub-section (2), the High Court may, on the application of the Official Receiver, make an order directing compliance within the period specified in the order.

(4) The High Court may order that the costs of and incidental to an application under sub-section (3) shall be borne by the person against whom the order is made.

(5) A liquidator, administrator or administrative receiver who prepares a report under sub-section (1) shall not disclose the report to the creditors' committee, if any, or to any person other than the Official Receiver.

(6) Sub-section (5) does not prevent a liquidator, administrator or administrative receiver disclosing the report to any person properly employed or appointed by him, or acting for him, in the liquidation, administration or administrative receivership.

(7) A report provided to the Official Receiver under sub-section (1) shall, in the absence of fraud or malice, be absolutely privileged for the purposes of the law of defamation.

(8) Sub-section (7) shall not apply to the extent that the liquidator, administrator or administrative receiver, or

a person to whom the report is disclosed under sub-section (6), discloses the report to another person in breach of sub-section (5).

(9) A person who fails to comply with an order made under sub-section (3) commits an offence.

PART X

General Provisions with regard to Companies that Are Insolvent or in Liquidation

Sub-Part 1

General

Interpretation of this Part.

264.–(1) Subject to sub-section (2), in this Part "office holder", in respect of a company, means its administrator, its liquidator, its provisional liquidator or its administrative receiver.

(2) In Sub-Part 3, "office holder" has the meaning specified in section 273.

Application to High Court concerning office holder.

265. A person aggrieved by an act, omission or decision of an office holder may apply to the High Court and the High Court may confirm, reverse or modify the act, omission or decision of the office holder.

Order to deliver assets and documents.

266.–(1) Where a company is in administration or liquidation, all documents of the company and of the administrator or liquidator are, as between the members of the company, prima facie evidence of the truth of all matters purporting to be recorded in them.

(2) Where any person has in his possession or control any assets or documents to which the company appears to be entitled, the High Court may, on the application of the

office holder, require that person forthwith, or within such period as the High Court may direct, to pay, deliver, convey, surrender or transfer the assets or documents to the office holder.

(3) Sub-section (4) has effect where the office holder–

(a) seizes or disposes of any asset which is not an asset of the company; and

(b) at the time of seizure or disposal believes, and has reasonable grounds for believing, that he is entitled, whether in pursuance of an order of the High Court or otherwise, to seize or dispose of that asset.

(4) In the circumstances specified in sub-section (3), the office holder–

(a) is not liable to any person in respect of any loss or damage resulting from the seizure or disposal except in so far as that loss or damage is caused by the office holder's own negligence; and

(b) has a lien on the asset, or the proceeds of its sale, for such expenses as were incurred in connection with the seizure or disposal.

Sub-Part 2

Statement of Affairs

267.–(1) In this Sub-Part– **Interpretation of this Sub-Part.**

"relevant period" means the period of 2 years prior to–

(a) in the case of a company in administration, the date of the administration order;

(b) in the case of a company in liquidation, the date of the appointment of the liquidator;

(c) where a provisional liquidator has been appointed, the date of his appointment; and

(d) where an administrative receiver has been appointed, the date of his appointment;

"relevant person" means–

(a) a person who is or who, within the relevant period, has been an officer of the company;

(b) a person who is or who, within the relevant period, has been in the employment of the company and who, in the office holder's opinion is capable of providing the information required;

(c) a person who is or who, within the relevant period, has been an officer of or in the employment of a company which is an officer of the company; or

(d) a person who, within the relevant period, has promoted the formation of the company.

(2) For the purposes of the definition of "relevant person", "employment" includes employment under a contract for services.

Notice to be given by office holder.

268.–(1) Where, pursuant to a provision in this Act, an office holder requires a relevant person to prepare a statement of affairs and submit it to him, he shall send a notice to that person in the prescribed form.

(2) A notice sent under sub-section (1) shall specify a date by which the statement of affairs is to be delivered

to him, which shall be no earlier than 24 days after the date upon which the notice is sent to the relevant person.

Statement of affairs.

269.–(1) A statement of affairs shall be in the prescribed form and contain the particulars prescribed.

(2) Without limiting sub-section (1), the following particulars shall be set out in a statement of affairs–

(a) the assets and liabilities of the company;

(b) the names and addresses of the creditors of the company;

(c) the security interests held by creditors of the company and the dates upon which the security interests were created; and

(d) such further information as may be prescribed.

(3) Subject to section 270, a relevant person required by an office holder to prepare and submit a statement of affairs shall verify the statement of affairs by affidavit and submit the statement of affairs to the office holder, together with the verifying affidavit, on or before the date specified in the notice sent to him under section 268(1).

(4) A relevant person who, without reasonable excuse, contravenes sub-section (3) commits an offence.

Affidavit of concurrence.

270.–(1) A relevant person required by an office holder to prepare and submit a statement of affairs may, instead, submit an affidavit of concurrence complying with the Regulations.

(2) A relevant person who submits an affidavit of concurrence to an office holder on or before the date specified in the notice sent to him does not commit an offence under section 269(4).

Release from duty to submit statement of affairs.

271.–(1) An office holder or the High Court may, in accordance with the Regulations–

(a) release a person from an obligation imposed on him to prepare and submit a statement of affairs; or

(b) extend the period of time for the submission of the statement of affairs.

(2) An order of the High Court under this section may be made subject to such terms and conditions as the High Court considers fit.

Application for order of limited disclosure.

272.–(1) Where an office holder considers that it would prejudice the conduct of the insolvency proceeding for the whole or part of a statement of affairs submitted to him to be disclosed, he may apply to the High Court for an order of limited disclosure in respect of the statement of affairs, or any specified part of it.

(2) The High Court may, on an application under sub-section (1), order that the statement of affairs or, as the case may be, the specified part of it–

(a) in the case of an administrative receivership, is not to be open to inspection otherwise than with leave of the High Court; or

(b) in any other case, is not filed in High Court, or that it is filed separately and that it is not to be open to inspection otherwise than with leave of the High Court.

(3) An order of the High Court under sub-section (2) may include directions as to the delivery of documents to the Registrar and the disclosure of relevant information to other persons.

Sub-Part 3

Investigation of Insolvent Company's Affairs

273. In this Sub-Part– **Interpretation of this Sub-Part.**

"relevant period" has the meaning specified in section 267; and

"office holder", in respect of a company, means its administrator, its liquidator or its provisional liquidator and, in respect of a company in administration or liquidation or in respect of which a provisional liquidator has been appointed, includes the Official Receiver.

274.–(1) An office holder may, by notice in writing, require a person specified in sub-section (2)– **Power to obtain information.**

(a) to provide him with such information concerning the company, including the promotion, formation, business, dealings, accounts, assets, liabilities or affairs as he reasonably requires;

(b) to attend on him at such reasonable time and at such place as may be specified in the notice; or

(c) to be examined on oath or affirmation by him, or by his legal practitioner, on any matter referred to in paragraph *(a)*.

(2) A notice under sub-section (1) may be sent to–

(a) an officer or former officer of the company;

(b) a member or former member of the company;

(c) a person who was involved in the promotion or formation of this company;

(d) a person who is, or within the relevant period has been, employed by the company, including a person employed under a contract for services;

(e) a person who is, or at any time has been, a receiver, accountant or auditor of the company;

(f) a person who is or who, at any time has been, an officer of or in the employment of a company which is an officer of the company; or

(g) if the office holder is the Official Receiver or a liquidator or provisional liquidator to any person who has acted as administrator, liquidator or provisional liquidator of the company.

(3) A person who receives a notice under sub-section (1) and who, without reasonable excuse, fails to comply with the notice, commits an offence and is liable to an administrative fine to be imposed by the Commission.

Examination by office holder.

275.–(1) This section applies to the examination of a person under section 274(1)*(c)* by an office holder.

(2) The office holder, or the legal practitioner conducting the examination on his behalf, may administer an oath to, or take the affirmation of, a person to be examined.

(3) A person required to be examined is entitled to be represented by a legal practitioner.

(4) The office holder shall ensure that the examination is recorded in writing or by means of a tape recorder, or other electronic means.

Application for examination before High Court.

276.–(1) Where a company is in liquidation, an application may be made to the High Court, *ex-parte*, by the liquidator or by the Official Receiver, for an order that a person specified in sub-section (2) appear before the High Court for examination concerning the company, or a connected company, including the promotion, formation, business, dealings, accounts, assets, liabilities or affairs of the company or connected company.

(2) An application under sub-section (1) may be made in respect of

(a) a person specified in section 274(2);

(b) any other person who the applicant considers is capable of giving information concerning the company or a connected company; or

(c) any other person who the applicant knows or suspects has in his possession or control any asset of the company or is indebted to the company.

(3) An application under sub-section (1) shall state whether the applicant seeks a public or a private examination.

Order for examination.

277.–(1) In this section, "examinee" means the person to be examined before the High Court.

(2) On hearing an application made under sub-section 276, the High Court may order the examinee to appear before the High Court to be examined.

(3) An order under sub-section (1)–

(a) shall direct the examinee to appear before the High Court to be examined at a venue specified in the order;

(b) shall state whether the examination is to be a public or a private examination;

(c) may require the person concerned to produce at the examination any books, records or other documents in his possession or control that relate to the company, or a connected company, including the promotion, formation, business, dealings, accounts, assets, liabilities or affairs of the company or connected company;

(d) may provide for an alternative method of service of the order on the examinee;

(e) shall state the action that may be taken against a person if he does not appear before the High Court as required by the order; and

(f) where the examination is to be a public examination, may require the examination to be advertised, specifying the method of such advertisement.

(4) Where the High Court makes an order under sub-section (2), the applicant shall, forthwith serve a sealed copy of the order on the examinee and, where the liquidator is not the Official Receiver–

(a) if the applicant is the liquidator of the company, send a sealed copy of the order to the Official Receiver; or

(b) if the applicant is the Official Receiver, send a sealed copy of the order to the liquidator of the company.

(5) Where an order under sub-section (2) is for the public examination of an examinee, the applicant shall give

not less than 14 days' notice of the examination to each creditor and member of the company.

(6) The High Court may as part of an order made under this section, or at any subsequent time, make one or more of the following directions–

(a) a direction specifying the matters upon which the examinee may be examined; and

(b) a direction specifying the procedures to be followed at the examination.

Conduct of examination.

278.–(1) This section applies to an examination held pursuant to an order made under section 277.

(2) An examinee shall be examined on oath and he shall answer such questions as the High Court may put, or allow to be put to him.

(3) Subject to sub-section (2), an examination is conducted by the applicant, or by his legal practitioner, and the person examined is entitled to be represented by a legal practitioner who may put such questions to the examinee as the High Court may allow for the purpose of explaining or qualifying answers given by him.

(4) The examinee may also be examined–

(a) if the applicant is the Official Receiver, by the liquidator; or

(b) if the applicant is the liquidator of the company, by the Official Receiver.

(5) At a public examination, questions may, with the leave of the High Court, be put to the examinee by any creditor or member of the company present at the examination or by the legal practitioner representing such creditor or member.

(6) An examination shall be recorded in writing and the examinee shall sign the record.

(7) Subject to section 279, the written record of an examination is admissible in evidence in any proceedings under this Act other than proceedings for a disqualification order under Part IX.

Incriminating answers and admissibility of record.

279.–(1) An examinee is not excused from answering a question put to him by an office holder under section 274 or at an examination held pursuant to an order made under section 277 on the ground that the answer may incriminate him or tend to incriminate him.

(2) The record of an examination held under section 274 or pursuant to an order made under section 277 is not admissible as evidence in any criminal proceedings against the examinee except where he is charged with the offence of perjury.

Offence.

280.–(1) A person who, without reasonable excuse, fails to attend an examination ordered to be held under section 277, commits an offence.

(2) Where a person without reasonable excuse fails at any time to attend an examination ordered to be held under section 277, or there are reasonable grounds for believing that a person has absconded, or is about to abscond, with a view to avoiding or delaying his examination, the High Court may cause a warrant to be issued to a police officer or a prescribed officer of the High Court–

(a) for the arrest of that person; and

(b) for the seizure of any books, papers, records, money or goods in that person's possession.

(3) In such a case the High Court may authorise the person arrested under the warrant to be kept in custody,

and anything seized under such a warrant to be held, in accordance with the Regulations, until such time as the High Court may order.

Fraudulent conduct.

281.–(1) Where a liquidator of a company is appointed under section 158, a person who is or has been an officer of the company commits an offence if, at any time whilst an officer or during the period of 12 months preceding the commencement of the liquidation, he has–

(a) made or caused to be made any gift or transfer of, or charge on, or has caused, permitted or acquiesced in the levying of any execution against the company's assets; or

(b) has concealed or removed any of the company's assets since, or within, 60 days of the date of any unsatisfied judgment or order for the payment of money obtained against the company.

(2) A person is not guilty of an offence under this section–

(a) by reason of conduct constituting an offence under sub-section (1) *(a)* which occurred more than 5 years before the commencement of the liquidation; or

(b) if that person proves that, at the time of the conduct constituting the offence, he had no intent to defraud the company's creditors.

PART XI

Simplified Restructuring of Debts

Sub-Part 1

Preliminary

Interpretation of this Part.

282. In this Part, unless the context otherwise requires–

"annual sales turnover", for a relevant period in relation to an applicant company, means–

(a) if the relevant period is a business year that consists of 12 months, the sales turnover of the applicant in that business year; or

(b) if the relevant period is a business year that does not consist of 12 months or is a business commencement period, the amount S/B 12, where–

(i) S is the sales turnover of the applicant company in that business year or business commencement period; and

(ii) B is the number of months in that business year or business commencement period;

"business commencement period", in relation to an applicant company, means the period between the date of commencement of the business operations of the applicant company and the date of the application by the applicant company under section 285, both dates inclusive;

"business year" means a period in respect of which an applicant company prepares or is required to prepare accounts;

"employee", in relation to an applicant company, means an individual who has entered into or works under a contract of service with the applicant company;

"relevant period", in relation to an applicant company, means–

(a) the business year of the applicant company immediately preceding the date of the application by the applicant company under section 285; or

(b) if there is no such business year, the business commencement period of the applicant company;

"Restructuring Advisor", in relation to a company means a person appointed under section 284 to be the Restructuring Advisor of the company;

"simplified debt restructuring programme" means the programme established in section 283;

"specified period", in relation to a company, means the period starting on the day that the notice of acceptance in respect of the company is published under section 290*(b)* and ending on the day that the company is discharged from the simplified debt restructuring programme under section 286; and

"sales turnover", in relation to an applicant company, means the aggregate of the following amounts, after deducting sales rebates, goods and services tax and other taxes directly related to those amounts–

(a) the amounts derived by the applicant company from the sale of products and the provision of services falling within the ordinary activities of the applicant company;

(b) any other amounts derived from the business operations of the applicant company, but excluding gains from the sale of fixed assets, donations, grants, subsidies, subscriptions, interest, dividends, goods purchased for resale and investment income.

Sub-Part 2

Simplified debt restructuring programme

Establishment of simplified debt restructuring programme.

283. There is established a programme, known as the Simplified Debt Restructuring Programme, for the purpose of providing a simplified process for the restructuring of debts to any eligible company that seeks to enter into such an arrangement with its creditors or any class of those creditors.

Appointment of qualified persons and Restructuring Advisors.

284.–(1) The Official Receiver may appoint any qualified person to advise the Official Receiver on whether to grant an application by a company to be accepted into the simplified debt restructuring programme.

(2) The Official Receiver may appoint one or more qualified persons to act as the Restructuring Advisor or Restructuring Advisors of a company (in simplified debt restructuring) on any terms and for any duration as the Official Receiver may determine necessary.

(3) A qualified person may not be appointed as a Restructuring Advisor of a company unless he consents to be so appointed.

(4) When more than one Restructuring Advisor is appointed to act in relation to a company any power given to the Restructuring Advisor under this Part may be exercised–

(a) by any one or more of them as is determined by the Official Receiver at the time of their appointment; or

(b) in default of such determination by any number not less than 2.

(5) The Official Receiver shall enquire and undertake such actions as are required when–

(a) the Restructuring Advisor does not faithfully perform his duties or duly observe all the requirements imposed on him or by any written law or otherwise with respect to the performance of the Restructuring Advisor's duties under this Part; or

(b) a complaint is made to the Official Receiver by any creditor or contributory in relation to the conduct of the Restructuring Advisor in the performance of the Restructuring Advisor's duties under this Part.

(6) No liability shall lie against any qualified person with respect to anything done or omitted to be done in good faith and with reasonable care in the discharge or purported discharge of his functions and duties under sub-section (1) or as a Restructuring Advisor under section 292.

(7) In this section, "qualified person" means any person who–

(a) is a public accountant;

(b) is a chartered accountant within the meaning given by the Accountancy Profession Act; **CAP. 305.**

(c) possesses any other qualification or any relevant experience as may prescribed by regulations.

Sub-Part 3

Application for and acceptance into simplified debt restructuring programme

Application by a company. Schedule V.

285.–(1) A company may, at any time, make an application in accordance with Schedule V to the Official Receiver to be accepted into the simplified debt restructuring programme.

(2) Upon the receipt of an application of a company under sub-section (1), the Official Receiver may request additional information, to be submitted within a specified timeframe, necessary to determine the outcome of the application.

(3) Any person who, in connection with an application to the simplified debt restructuring programme, knowingly makes any statement, provides or submits any information or document, to the Official Receiver that is false or misleading in a material particular, shall be guilty of an offence and shall be liable on indictment to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 2 years or to both.

Requirements for acceptance into simplified debt restructuring programme.

286. The Restructuring Advisor may advise the Official Receiver to accept the applicant company into the simplified debt restructuring programme once all of the following requirements are met–

Schedule VI.

(a) the applicant company meets the eligibility criteria set out in Schedule VI;

Schedule VII.

(b) the applicant company does not meet any of the circumstances of Ineligibility for the Debt Restructuring Programme as specified in Schedule VII; and

Schedule V.

(c) the applicant company satisfies the application requirements set out in Schedule V.

287.–(1) Upon the advice of the Restructuring Advisor, where the Official Receiver considers that the eligibility requirement as set out in Schedule VI is met, the Official Receiver shall– **Notices of application and objection, etc. Schedule VI.**

(a) send to the applicant company, and every creditor of the applicant company, whose name and address are provided by the applicant company in its application under section 285; and

(b) publish on the designated website,

a notice of the application by the applicant company for acceptance into the simplified debt restructuring programme.

(2) The notice of application under sub-section (1) shall contain information as set out in Schedule VIII. **Schedule VIII.**

(3) Any creditor, member or officer of the applicant company who believes there is reasonable cause why the applicant company should not be accepted into the simplified debt restructuring programme, may issue an objection in writing, including through electronic means, to the Official Receiver, stating the grounds of objection.

(4) At the expiry of 21 days after the date of the notice of application published under sub-section (1)–

(a) where the Official Receiver has not received any objection the Official Receiver may accept the applicant company into the simplified debt restructuring programme, subject to the payment by the applicant company of the deposit payable under section 289; and

(b) where the Official Receiver has received any notice of objection, the Official Receiver must decide whether to–

(i) accept the applicant company into the simplified debt restructuring programme, subject to the payment by the applicant company of the deposit payable under section 289; or

(ii) reject the applicant company's application, and, in doing so, the Official Receiver shall consider the grounds of the objection.

(5) The Official Receiver's decision under sub-section (4) is final.

Direction by Commission. Schedule VII.

288.–(1) Notwithstanding sections 285 and 286, the Commission may direct the Official Receiver to accept a company into the simplified debt restructuring programme even though the eligibility requirement is not met; or even though the company may be in a circumstance of ineligibility in accordance with Schedule VII.

(2) Where the Commission directs the Official Receiver to accept any applicant company into the simplified debt restructuring programme under sub-section (1) the Commission may also waive or remit, in whole or in part, the deposit payable by the company under section 289.

Deposit payable by applicant company.

289.–(1) An applicant company shall, upon the request of the Official Receiver and within the period specified by the Official Receiver, pay a deposit of the sum prescribed under section 289 to the Official Receiver, for the purpose of defraying the costs and expenses to be incurred by the Official Receiver in the administration of the simplified debt restructuring programme in relation to the applicant company.

(2) Unless the deposit mentioned in sub-section (1) is waived or remitted, in whole or in part, the Official Receiver must not accept the applicant company into the simplified

debt restructuring programme if the deposit is not paid by the applicant company within the period specified by the Official Receiver.

Publication of notice of acceptance or rejection, etc.

290. Where the Official Receiver accepts an applicant company into the simplified debt restructuring programme under section 285 or 286, or rejects an application to be accepted into the simplified debt restructuring programme under section 285, the Official Receiver shall–

(a) notify the applicant company of the acceptance or rejection; and

(b) publish on the designated website a notice of the acceptance or rejection.

Sub-Part 4

Effect of acceptance into simplified debt restructuring programme

Restraint of proceedings and disposition of property, etc., during specified period.

291.–(1) During the specified period in respect of a company in simplified debt restructuring–

(a) no order may be made, and no resolution may be passed, for the winding up of the company;

(b) no receiver or manager may be appointed over any property or undertaking of the company;

(c) no proceedings, other than proceedings under section 293, may be commenced or continued against the company, except with the leave of the High Court and subject to any terms as the High Court may impose;

(d) no execution, distress or other legal process may be commenced, continued or levied against any property of the company, except with the leave of the High Court and subject to any terms as the High Court may impose;

(e) no step may be taken to enforce any security over any property of the company, or to repossess any goods under any chattels leasing agreement, hire-purchase agreement or retention of title agreement, except with the leave of the High Court and subject to any terms as the High Court may impose; and

(f) no right of re-entry or forfeiture under any lease in respect of any premises occupied by the company may be enforced, except with the leave of the High Court and subject to any terms as the High Court may impose.

(2) Sub-section (1) does not affect–

(a) the exercise of any legal right under any arrangement, including a set-off arrangement or a netting arrangement, that may be prescribed by Regulations made under section 298; or

(b) the commencement or continuation of any proceedings that may be so prescribed.

(3) A company or officer of a company that intentionally or knowingly disposes or effects the disposal of the property of the company during the specified period in respect of the company, whether by act or omission, other than in good faith and in the ordinary course of business of the company, shall be guilty of an offence and shall be liable on indictment to a fine not exceeding $100,000.

(4) In this section, "officer", in relation to a company, means a director or a person employed in an executive capacity by the company.

Sub-Part 5

Compromise or arrangement with creditors or class of creditors

Duties of Restructuring Advisor.

292. The Restructuring Advisor of a company has the following duties during the specified period–

(a) to assist the company to formulate a proposed compromise or arrangement between the company and its creditors or any class of those creditors;

(b) if the Restructuring Advisor is of the view that the proposed compromise or arrangement mentioned in paragraph *(a)* is feasible and merits consideration by the company's creditors to assist the company in seeking agreement to the proposed compromise or arrangement from the creditors of the company;

(c) if the Restructuring Advisor is of the view that the proposed compromise or arrangement mentioned in paragraph *(a)* meets the threshold requirement mentioned in section 293(3)*(d)* and the company wishes to make an application to the High Court under section 293(1) for the High Court's approval of the proposed compromise or arrangement, to assist the company in the application, such as by drawing documents setting out the details of the proposed compromise or arrangement and other documents supporting the application,

and providing his opinion to the company if the company is required to respond to any query posed by the High Court concerning any detail or the feasibility of the proposed compromise or arrangement;

(d) if an application is made by the company to the Official Receiver for an extension of the default period under section 296(2), to advise the Official Receiver on whether to grant the application;

(e) if any circumstance under section 296(7)*(e)*, *(f)* or *(g)* arises–

(i) to inform the Official Receiver as soon as practicable of the circumstance; and

(ii) to advise the Official Receiver on whether and when to discharge the company from the simplified debt restructuring programme as a consequence of the circumstance.

Power of High Court to approve compromise or arrangement without meeting of creditors.

293.–(1) The High Court may, on an application made by a company, make an order approving a compromise or an arrangement between the company and its creditors or any class of those creditors.

(2) Subject to sub-section (9), if the arrangement is approved by order of the High Court under sub-section (1), the compromise or arrangement is binding on the company (in simplified debt restructuring) and the creditors or class of creditors meant to be bound by the compromise or arrangement.

(3) The High Court shall not approve an arrangement under sub-section (1) unless–

(a) the company (in simplified debt restructuring) has provided each creditor meant to be bound by the compromise or arrangement with a statement that–

(i) explains the effect of the compromise or arrangement and, in particular, states–

(A) any material interests of the directors of the company (whether as directors or as members, creditors or holders of units of shares of the company or otherwise); and

(B) the effect that the compromise or arrangement has on those interests, insofar as that effect is different from the effect that the compromise or arrangement has on the like interests of other persons; and

(ii) contains the following information–

(A) information concerning the property, assets, business activities, financial condition and prospects of the company;

(B) information on the manner in which the terms of the compromise or arrangement will, if it takes effect, affect the rights of the creditor;

(C) any other information as is necessary to enable the creditor

to make an informed decision whether to agree to the compromise or arrangement;

(b) the company has informed each creditor meant to be bound by the compromise or arrangement of the date fixed for the determination of the application under sub-section (1), and sent to each such creditor, at least 14 days before that date–

(i) a notice of the application, including a statement that a creditor who objects to the approval of the compromise or arrangement must file the creditor's objection in the High Court at least 7 days before the date fixed for the determination of the application; and

(ii) a copy of the application;

(c) the company (in simplified debt restructuring) has published in the *Gazette* and on the designated website, at least 14 days before the date fixed for the determination of the application under sub-section (1)–

(i) a notice of the application; and

(ii) a statement that a creditor who objects to the approval of the compromise or arrangement must file the creditor's objection in the High Court at least 7 days before the date fixed for the determination of the application; and

(d) the High Court is satisfied that had a meeting of the creditors or class of creditors been summoned, a majority of at least two-thirds

in value of the creditors or class of creditors, present and voting either in person or by proxy at the meeting or any adjourned meeting, would have voted in favour of the compromise or arrangement, referred to in this section as the threshold requirement.

(4) In determining whether the threshold requirement is met, the High Court shall–

(a) disregard any agreement or disagreement to the compromise or arrangement of any creditor who is a related party of the company; and

(b) regard–

(i) all secured creditors as forming one class;

(ii) all unsecured creditors whose debts would, in the event of the winding up of the company be paid in priority to all other unsecured debts, as forming another class; and

(iii) all other unsecured creditors as forming yet another class.

(5) Despite sub-section (4), in determining whether the threshold requirement is met in respect of a proposed arrangement for a company, the High Court may–

(a) take into account the agreement or disagreement to the proposed compromise or arrangement of any creditor who is a related party of the company; or

(b) substitute its classification of creditors of the company for the classification of creditors set out in sub-section (4)*(b)*,

if the circumstances so require and the result of doing so is fair and equitable to all the creditors meant to be bound by the proposed compromise or arrangement.

(6) The High Court may, if it thinks fit, do either of the following without hearing oral arguments–

(a) grant its approval of a compromise or an arrangement, unless–

(i) a creditor meant to be bound by the compromise or arrangement has filed an objection mentioned in sub-section (3)*(b)(i)*; and

(ii) the High Court is of the view that the application under sub-section (1) cannot be properly determined without the attendance of parties; or

(b) dismiss the application under sub-section (1).

(7) To avoid doubt, sub-section (6) does not affect the power of the High Court to decide an application under sub-section (1) after hearing oral arguments.

(8) The High Court may grant its approval of a compromise or an arrangement subject to such alterations or conditions as the High Court determines.

(9) Unless the High Court orders otherwise, an order made under sub-section (1)–

(a) has no effect until a copy of the order is lodged with the Registrar; and

(b) takes effect starting on the date of the lodgment.

(10) Where the terms of any arrangement approved under this section provide for any money or other consideration to be held by or on behalf of any party to the arrangement in trust for any person, the person holding the money or other consideration may after the expiration of 2 years, and must before the expiration of 10 years, starting on the date on which the money or other consideration was received by the person, transfer the money or other consideration to the Official Receiver.

(11) The Official Receiver shall–

(a) deal with any moneys received under sub-section (10) as if the moneys were paid to the Official Receiver under section 323; and

(b) sell or dispose of any other consideration received under sub-section (10) in any manner as the Official Receiver thinks fit, and deal with the proceeds of the sale or disposal as if those proceeds were moneys paid to the Official Receiver under section 323.

(12) For the purposes of sub-sections (4)*(a)* and (5)*(a)*, a creditor is a related party of a company if–

(a) the creditor is–

(i) a holding company, an ultimate holding company or a subsidiary, director or shareholder of the company; or

(ii) a relative or spouse of a director or shareholder of the company; or

(b) the creditor and the company are subsidiaries of the same holding company.

(13) For the purposes of sub-section (12)*(a)(ii)*, a creditor (A) is a relative of a director or shareholder of a company (B) if A is B's brother, sister, uncle, aunt, nephew, niece, lineal ancestor or lineal descendant, treating–

(a) any relationship of the half-blood as a relationship of the whole blood and the stepchild or adopted child of any person as that person's child; and

(b) an illegitimate child as the legitimate child of the child's mother and reputed father.

(14) A reference in sub-section (12)*(a)(ii)* to a spouse includes a former spouse and a reputed husband or wife.

Authorised officer may act on behalf of company in application and proceedings under section 293.

294.–(1) This section applies–

(a) when a company makes an application under section 293(1) for the High Court's approval of a compromise or an arrangement; and

(b) despite any provision of the Civil Procedure Rules for the time being in force.

(2) A duly authorised officer of the company may act on behalf of the company in the making of the application under section 293(1) and in any proceedings in the High Court arising from the application and leading to the grant, dismissal or withdrawal of the application, but not an appeal mentioned in section 295.

(3) The company may make an application under section 293(1) and carry on any proceedings in the High Court arising from the application and leading to the grant, dismissal or withdrawal of the application but not an appeal

mentioned in section 295 through a duly authorised officer of the company and otherwise than by a solicitor.

Orders pending appeal.

295. Where an appeal is made against an order of the High Court made on an application by a company under section 293(1) or the dismissal of an application under that provision, the High Court may, on the application of the company, make one or more of the following orders, each of which is in force for such period pending the appeal as the High Court thinks fit–

(a) an order restraining the passing of a resolution for the winding up of the company;

(b) an order restraining the appointment of a receiver or manager over any property or undertaking of the company;

(c) an order restraining the commencement or continuation of any proceedings, other than proceedings arising from the appeal, against the company, except with the leave of the High Court and subject to any terms as the High Court imposes;

(d) an order restraining the commencement, continuation or levying of any execution, distress or other legal process against any property of the company, except with the leave of the High Court and subject to any terms as the High Court imposes;

(e) an order restraining the taking of any step to enforce any security over any property of the company, or to repossess any goods held by the company under any chattels leasing agreement, hire-purchase agreement or retention of title agreement, except with the leave of the High Court and subject to any terms as the High Court imposes;

(f) an order restraining the enforcement of any right of re- entry or forfeiture under any lease in respect of any premises occupied by the company except with the leave of the High Court and subject to any terms as the High Court imposes.

Sub-Part 6

Discharge from simplified debt restructuring programme

Discharge from simplified debt restructuring programme.

296.–(1) Subject to sub-sections (4), (5) and (6), a company is discharged from the simplified debt restructuring programme at the expiry of 90 days after the day that the notice of acceptance in respect of the company is published under section 290*(b)*, referred to in this section as the default period.

(2) A company may make an application to the Official Receiver for an extension of the default period in the prescribed form and manner to defer its discharge from the simplified debt restructuring programme.

(3) On an application under sub-section (2), the Official Receiver may–

(a) extend the default period–

(i) for a period not exceeding 30 days, or any longer period as the Official Receiver may determine, after the expiry of the default period;

(ii) only once; and

(iii) only before the expiry of the default period; or

(b) decline to extend the default period.

(4) Subject to sub-sections (5) and (6), where an extension is granted by the Official Receiver under sub-section (3), the company is discharged from the simplified debt restructuring programme at the expiry of the default period and the period of the extension.

(5) Where an application is made by a company under section 285(1) before the company is discharged from the simplified debt restructuring programme, the company is discharged from the same on the day that the application is granted, dismissed or withdrawn.

(6) Despite sub-sections (1) to (5), the Official Receiver may, on–

(a) the Official Receiver's own motion, whether on the advice of the Restructuring Advisor of the company in question or otherwise; or

(b) an application to the Official Receiver by–

(i) the company in simplified debt restructuring in question; or

(ii) a creditor, member or an officer of the company in question, discharge the company from the simplified debt restructuring programme.

(7) The Official Receiver may discharge the company from the simplified debt restructuring programme under sub-section (6) if the Official Receiver is satisfied–

(a) on the basis of any information or document that is not known to or in the possession of the Official Receiver at the time of the acceptance of the company into the simplified debt restructuring programme but that is

made known to or available to the Official Receiver after the acceptance, that–

(i) the company did not meet all the eligibility criteria mentioned in section 286*(a)* at the time of the acceptance; or

(ii) any circumstance mentioned in section 286*(b)* existed in relation to the company at the time of the acceptance;

(b) that the company ceases to fulfil all of the eligibility criteria mentioned in section 286*(a)*;

(c) that any circumstance mentioned in section 4(3) has arisen after the acceptance of the company into the simplified debt restructuring programme;

(d) that the acceptance of the company into the simplified debt restructuring programme has been obtained on the basis of any false or misleading particulars, information or document submitted by the company to the Official Receiver;

(e) that the company has or its officers have failed to cooperate with the Restructuring Advisor of the company in the formulation of a proposed compromise or arrangement between the company and its creditors or any class of those creditors;

(f) that there is insufficient support from the creditors of the company for the intended compromise or arrangement such that the

threshold requirement mentioned in section 293(3)*(d)* will not be met;

(g) that the company is not suitable for the simplified debt restructuring programme; or

(h) that there is any other reason for which the company is to be discharged from the simplified debt restructuring programme.

(8) The Official Receiver's decision under sub-section (3) or (6) is final.

(9) Notice of every discharge under this section shall be published by the Official Receiver in the *Gazette* and on the designated website.

Power to prescribe further modifications and amendments.

297.–(1) The Minister may, on the advice of the Commission, and by Order in the *Gazette*–

(a) make further modifications to any provision of this Act for its application to or in relation to a company accepted into the simplified debt restructuring programme; or

(b) make modifications or amendments to any provision of any specified Act for its application to or in relation to a company accepted into the simplified debt restructuring programme, that are consequential on the enactment of this Part.

(2) An order under sub-section (1)–

(a) may be made at any time within the period of 2 years after the commencement of this Part; and

(b) shall be presented to Parliament as soon as possible after publication in the *Gazette*.

Regulations for this Part.

298.–(1) The Commission may, with the approval of the Minister, make Regulations for the purposes of carrying into effect the objects of this Part.

(2) Without limiting sub-section (1), the Commission may, with the approval of the Minister, make Regulations with respect to simplified winding up.

PART XII

Netting

Sub-Part 1

Interpretation

Interpretation of this Part.

299. In this Part–

"cash" means money credited to an account in any currency, or a similar claim for repayment of money, such as a money market deposit;

"collateral" means any of the following–

(a) cash in any currency;

(b) securities of any kind, including, without limitation, debt and equity securities, sukuk and fund interests;

(c) guarantees, letters of credit and obligations to reimburse; and

(d) any asset commonly used as collateral in Belize;

"collateral arrangement" means any margin, collateral or security arrangement or other credit enhancement related to or forming part of a netting agreement or one or more qualified financial contracts to which a netting agreement applies, including, without limitation–

(a) a pledge or any other form of security interest in collateral, whether possessory or non-possessory;

(b) a title transfer collateral arrangement; and

(c) any guarantee, letter of credit or reimbursement obligation by or to a party to one or more qualified financial contracts, in respect of those qualified financial contracts; or a netting agreement;

"financial institution" includes a bank or financial institution duly licensed under an enactment authorizing it to carry on such business whether in Belize or elsewhere;

"insolvency proceedings" means any collective proceedings, other than resolution proceedings, under the laws of Belize affecting the claims of creditors of an insolvent party including liquidation, winding up, arrangements, administration, receivership, or other similar form of collective proceedings;

"insolvent party" is the party in relation to which insolvency proceedings under the laws of Belize have been instituted;

"netting" means the operation of a set of provisions in an agreement between two persons that–

(a) may be commenced by notice given by one person to the other person upon the occurrence of an event of default with respect to the other party or other termination event or that may,

in certain circumstances, occur automatically as specified in the agreement; and

(b) has the following effect–

(i) the termination, liquidation and/or acceleration of any present or future payment or delivery rights or obligations arising under or in connection with one or more qualified financial contracts to which a netting agreement applies;

(ii) the calculation or estimation of a close-out value, market value, liquidation value or replacement value in respect of each right and obligation or group of rights and obligations terminated, liquidated and/or accelerated under sub-paragraph *(i)* and the conversion of each such value into a single currency; and

(iii) the determination of the net balance of the values calculated under sub-paragraph *(ii)*, whether by operation of set-off or otherwise, giving rise to the obligation of one person to pay an amount equal to the net balance to the other person;

"netting agreement" means an agreement between two persons that provides for netting, including, without limitation–

(a) an agreement that provides for the netting of amounts due under two or more netting agreements; and

(b) a collateral arrangement relating to or forming part of a netting agreement;

"non-insolvent party" is the party that is not the insolvent party;

"obligation" means an obligation of any type, including an obligation to deliver property;

"party" means a person that is a party to a netting agreement;

"person" includes an individual, partnership, company, trust, foundation, unincorporated association or organization, regulated entity such as a financial institution, collective investment scheme, investment firm, securities or commodities dealer, insurance company or investment manager, or any other body corporate, corporation sole, statutory corporation or entity whether organized under the laws of Belize or under the laws of any other jurisdiction, and any unit or political sub-division of any central or regional government (including but not limited to the Government of Belize or any foreign government or agency thereof or any municipality such as a city or town council), and any international or regional development bank or other international or regional organization;

"qualified financial contract" means any financial agreement, contract or transaction, including any terms and conditions incorporated by reference in any such financial agreement, contract or transaction, under which payment or delivery obligations are due to be performed at a certain time or within a certain period of time and whether or not subject to any condition or contingency, including, without limitation–

(a) a currency, cross-currency or interest rate swap or profit rate swap agreement;

(b) a basis swap agreement;

(c) a spot, future, forward or other foreign exchange transaction or agreement;

(d) a cap, collar or floor transaction;

(e) a commodity swap agreement;

(f) a forward rate agreement;

(g) a currency or interest rate future agreement;

(h) a currency or interest rate option;

(i) an equity derivative, such as an equity or equity index swap, equity forward, equity option or equity index option;

(j) a derivative relating to bonds or other debt securities or to a bond or debt security index, such as a total return swap, index swap, forward, option or index option;

(k) a credit derivative, such as a credit default swap, credit default basket swap, total return swap or credit default option;

(l) an energy derivative, such as an electricity derivative, oil derivative, coal derivative or gas derivative, including a derivative on physical transmission rights, financial transmission rights or transmission capacity;

(m) a weather derivative, such as a weather swap or weather option;

(n) a bandwidth derivative;

(o) a freight derivative;

(p) an emissions derivative, such as an emissions allowance or emissions reduction transaction;

(q) an economic statistics derivative, such as an inflation derivative;

(r) a property index derivative;

(s) a spot, future, forward or other securities or commodities transaction or agreement;

(t) a securities contract, including a margin loan and an agreement to buy, sell, borrow or lend securities, such as a securities repurchase or reverse repurchase agreement, a securities lending agreement or a securities buy/sell-back agreement, including any such contract or agreement relating to mortgage loans, interests in mortgage loans or mortgage-related securities;

(u) a commodities contract, including an agreement to buy, sell, borrow or lend commodities, such as a commodities repurchase or reverse repurchase agreement, a commodities lending agreement or a commodities buy/sell-back agreement;

(v) a collateral arrangement;

(w) an agreement to clear or settle securities transactions or to act as a depository for securities;

(x) any other agreement, contract or transaction similar to any agreement, contract or transaction referred to in paragraphs *(a)* to *(w)* with respect to one or more reference items or indices relating to, without limitation, interest rates, currencies, commodities, energy products, electricity, equities, fund interest,

weather, bonds and other debt instruments, sukuk, precious metals, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial or economic consequence, or economic or financial indices or measures of economic or financial risk or value;

(y) any swap, forward, option, contract for differences or other derivative in respect of, or combination of, one or more agreements or contracts referred to in paragraphs *(a)* to *(x)*;

(z) an instrument, agreement or transaction that is or effects the economic equivalent of one of the instruments, agreements or transactions referred to in paragraphs *(a)* to *(y)* through use of a murabaha, musawama or wa'ad or any other structure commonly used for the purpose of effecting Shari'a compliant instruments, agreements or transactions; and

(aa) any agreement, contract or transaction or type thereof designated as a qualified financial contract by Order of the Commission, with the approval of the Minister under this Act;

"resolution proceedings" means a statutory regime for the recovery and resolution of a financial institution following a significant deterioration in its financial position, including any preventive measures taken or powers exercised by a competent public authority in relation to the financial institution under the statutory regime prior to a financial institution's formal entry into resolution and including, without limitation, any insolvency proceedings in relation to the financial institution, or the whole or part of its business, following its formal entry into resolution; and

"title transfer collateral arrangement" means a margin, collateral or security arrangement related to a netting agreement based on the transfer of title to collateral, whether by outright sale or by way of security, including, without limitation, a sale and repurchase agreement, securities lending agreement, securities buy/sell-back agreement or an irregular pledge.

Sub-Part 2

Enforceability

Enforcement of a Qualified Financial Contract.

300.–(1) A qualified financial contract shall not be and shall be deemed never to have been void or unenforceable by reason of the Gambling Prevention Act or any other laws relating to games, gaming, gambling, wagering or lotteries.

(2) If, at the time a person enters into a qualified financial contract,or any agreement relating to such qualified financial contract, the person represents or otherwise indicates to the other party to the qualified financial contract that it is satisfied that the qualified financial contract is Shari'a compliant, the person may not subsequently disaffirm, disclaim, repudiate or reject, in whole or in part, its obligations under the qualified financial contract on the basis that the qualified financial contract has ceased to be Shari'a compliant due to a change of interpretation of any relevant rule or principle of the Shari'a or for any other reason.

Enforceability of netting.

301.–(1) Notwithstanding anything contained in this Act or Regulations made hereunder or in any enactment relating to insolvency, the provisions of a netting agreement will be enforceable in accordance with their terms, including against an insolvent party and, where applicable, against a guarantor or other person providing collateral or security for any obligation of the insolvent party and may not be stayed, avoided or otherwise limited by any action taken or power exercised by the insolvency practitioner or by any other provision of law applicable to the insolvent party by virtue of its being subject to insolvency proceedings.

(2) After commencement of insolvency proceedings in relation to a party, the only obligation, if any, of either party to make payment or delivery under a netting agreement in respect of all rights and obligations terminated, liquidated or accelerated pursuant to the application of netting under that netting agreement shall be its obligation to pay a net amount to the other party as determined in accordance with the terms of the netting agreement.

(3) After commencement of insolvency proceedings in relation to a party, the only right, if any, of either party to receive payment or delivery under a netting agreement in respect of all rights and obligations terminated, liquidated or accelerated pursuant to the application of netting under that agreement shall be equal to its right to receive a net amount from the other party as determined in accordance with the terms of the netting agreement.

(4) Any powers of the insolvency practitioner to assume or repudiate individual contracts or transactions will not prevent the termination, liquidation and/or acceleration of all payment or delivery obligations or rights under one or more qualified financial contracts to which a netting agreement applies, and will apply, if at all, only to the net amount due in respect of all of such qualified financial contracts in accordance with the terms of such netting agreement.

(5) The provisions of a netting agreement that provide for the determination of a net balance of the close-out values, market values, liquidation values or replacement values calculated in respect of accelerated and/or terminated payment and/or delivery obligations or rights under one or more qualified financial contracts to which a netting agreement applies will not be affected by any applicable insolvency laws limiting the exercise of rights to set off, offset or net out obligations, payment amounts or termination values owed between an insolvent party and another party.

(6) The insolvency practitioner of an insolvent party may not avoid–

(a) any transfer, substitution or exchange of cash, collateral or any other interests under or in connection with a netting agreement from the insolvent party to the non-insolvent party; or

(b) any payment or delivery obligation incurred by the insolvent party and owing to the non-insolvent party under or in connection with a netting agreement on the grounds of it constituting a voidable transaction during a vulnerability period by the insolvent party to or in favour of the non-insolvent party, unless there is clear and convincing evidence that the insolvent party made such transfer, substitution or exchange or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the insolvent party was indebted or became indebted, on or after the date such transfer was made or such obligation was incurred.

(7) No stay, injunction, avoidance, moratorium, or similar proceeding or order, whether issued or granted by a court, administrative agency, insolvency practitioner or otherwise, shall limit or delay application of otherwise enforceable netting agreements in accordance with sub-sections (1), (2) and (3).

(8) Unless otherwise agreed by the parties, the realization, appropriation and/or liquidation of collateral under a collateral arrangement shall take effect or occur without any requirement that prior notice shall be given to, or consent be received from, any party, person or entity, provided that this sub-section is without prejudice to any applicable provision of law requiring the realization, appropriation and/or liquidation

of collateral to be conducted in a commercially reasonable manner.

(9) For the purposes of this section–

(a) a netting agreement shall be deemed to be a netting agreement notwithstanding the fact that such netting agreement may contain provisions relating to agreements, contracts or transactions that are not qualified financial contracts in terms of section 299, provided, however, that, for the purposes of this section, such netting agreement shall be deemed to be a netting agreement only with respect to those agreements, contracts or transactions that fall within the definition of "qualified financial contract" in section 299;

(b) a collateral arrangement shall be deemed to be a collateral arrangement notwithstanding the fact that such collateral arrangement may contain provisions relating to agreements, contracts or transactions that are not a netting agreement or a qualified financial contract entered into under a netting agreement in terms of section 299, provided, however, that, for the purposes of this section, such collateral arrangement shall be deemed to be a collateral arrangement only with respect to those agreements, contracts or transactions that fall within the definition of "netting agreement" or "qualified financial contract" in section 299;

(c) a netting agreement and all qualified financial contracts to which a netting agreement applies shall constitute a single agreement; and

(d) the term "netting agreement" shall include the term "multibranch netting agreement" as defined in Sub-Part 3 of this Part, provided, however, that in a separate insolvency of a branch or agency of a foreign party, as defined in Sub-Part 3 of this Part, in Belize the enforceability of the provisions of the multibranch netting agreement shall be determined in accordance with Sub-Part 3 of this Part.

(10) In a case where the insolvent party is a financial institution subject to resolution proceedings under the Domestic Banks and Financial Institutions Act or the International Banking Act, whether due to its insolvency or any other reason for resolution under either of the said Acts, as the case may be, the provisions of this Act are without prejudice to the safeguards for netting and eligible financial contracts as those terms are expressly defined therein.

SUB-PART 3

Multibranch Netting

302. For the purposes of this Sub-Part 3– **Additional definitions.**

"foreign insolvency practitioner" means an insolvency practitioner for a foreign multibranch party under insolvency proceedings in the country in which it is organized or incorporated or in any other country;

"foreign multibranch party" is a person that is not organized or incorporated in Belize and that has entered into one or more qualified financial contracts under a netting agreement through its branch or agency in Belize and one or more qualified financial contracts through its head or home office in the country in which it is organized or incorporated;

"global net payment obligation" means the amount, if any, owed by the foreign multibranch party as a whole to the non-insolvent party after giving effect to the netting provisions of a multibranch netting agreement with respect to all qualified financial contracts subject to netting under such multibranch netting agreement;

"global net payment right" means the amount, if any, owed by the non-insolvent party to the foreign multibranch party as a whole after giving effect to the netting provisions of a multibranch netting agreement with respect to all qualified financial contracts subject to netting under such multibranch netting agreement;

"insolvent local branch" means a branch or agency in Belize of a foreign multibranch party that is subject to insolvency proceedings in Belize, regardless of whether the foreign multibranch party is subject to insolvency proceedings in the country in which it is organized or incorporated or in any other country;

"local insolvency practitioner" means a licensed insolvency practitioner for the insolvent local branch under insolvency proceedings in Belize;

"local net payment obligation" means the amount, if any, that would have been owed by the foreign multibranch party to the non-insolvent party after netting only those qualified financial contracts entered into by the non-insolvent party with the insolvent local branch under a multibranch netting agreement;

"local net payment right" means the amount, if any, that would have been owed by the non-insolvent party to the foreign multibranch party after netting only those qualified financial contracts entered into by the non-insolvent party with the insolvent local branch under a multibranch netting agreement;

"multibranch netting agreement" means a netting agreement between two persons under which at least one person is a foreign multibranch party with a branch or agency in Belize; and

"party" means, for purposes of this Sub-Part 3 of this Part, a person that is a party to a multibranch netting agreement.

Enforceability of a Multibranch Netting Agreement against an Insolvent Local Branch.

303.–(1) The liability of an insolvent local branch to a non-insolvent party under a multibranch netting agreement shall be calculated as of the date of the termination of the qualified financial contracts entered into under such multibranch netting agreement in accordance with its terms and shall be limited to the lesser of–

(a) the global net payment obligation; and

(b) the local net payment obligation.

(2) The liability of the insolvent local branch under sub-section (1) shall be reduced, but not below zero, by–

(a) any amount otherwise paid to or received by the non-insolvent party in respect of the global net payment obligation under the multibranch netting agreement which, if added to the liability of the insolvent local branch under sub-section (1), would exceed the global net payment obligation; and

(b) the fair market value of, or the amount of any proceeds of, collateral that secures or supports the obligations of the foreign multibranch party under the multibranch netting agreement and has been applied by the non-insolvent party to satisfy the obligations of the foreign multibranch party under the multibranch netting agreement.

(3) The liability of a non-insolvent party to an insolvent local branch under a multibranch netting agreement shall be calculated as of the date of termination of the qualified financial contracts enter into under such multibranch netting agreement in accordance with its terms and shall be limited to the lesser of–

(a) the global net payment right; and

(b) the local net payment right.

(4) The liability of the non-insolvent party under sub-section (3) shall be reduced, but not below zero, by–

(a) any amount otherwise paid to or received by–

(i) the local insolvency practitioner on behalf of the insolvent local branch; and/or

(ii) any foreign insolvency practitioner on behalf of the foreign multibranch party,

in respect of the global net payment right under the multibranch netting agreement which, if added to the liability of the non-insolvent party under sub-section (3), would exceed the global net payment right; and

(b) by the fair market value of, or the amount of any proceeds of, collateral that secures or supports the obligations of the non-insolvent party under the multibranch netting agreement and has been applied by the foreign multibranch party or any insolvency practitioner acting on its behalf to satisfy the obligations of the non-insolvent party under

the multibranch netting agreement to the foreign multibranch party.

304. If the non-insolvent party to a multibranch netting agreement has taken collateral under a collateral arrangement that secures or supports the obligations of the foreign multibranch party under the multibranch netting agreement, the non-insolvent party may retain such collateral and apply it in satisfaction of the obligation of the foreign multibranch party in respect of the global net payment obligation. The non-insolvent party must promptly, after such application, return any excess collateral to the foreign multibranch party.

Collateral from a Multibranch Netting Agreement.

305. The Commision may, with approval of the Minister, make Regulations generally for giving effect to this Part and specifically in respect of anything required or permitted to be prescribed by this Part.

Regulations for this Part.

PART XIII

Bankruptcy

306. In this Part–

Interpretation of this Part.

"bankrupt" means the individual against whom a bankruptcy order is made;

"bankruptcy offence" means an offence under Part XIV;

"debtor" means the individual to whom an application for a bankruptcy order relates;

"prescribed minimum" means the minimum amount of the debt for which a statutory demand may be issued under section 155; and

"trustee" means the bankruptcy trustee of a bankrupt.

Application of this Part to Official Receiver.

307. Where the Official Receiver is appointed as the trustee of a bankrupt, the provisions of this Act that apply to a trustee apply to the Official Receiver, as trustee, unless otherwise provided.

Meaning and duration of bankruptcy order.

308.–(1) A bankruptcy order is an order of the High Court vesting the assets of an individual in a bankruptcy trustee appointed by the High Court for the purposes of division amongst his creditors in accordance with this Part.

(2) The bankruptcy of an individual commences at the time at which the bankruptcy order is made and continues until it is terminated by the discharge of the bankrupt under section 392 or 395.

(3) Throughout the period referred to in sub-section (2), the individual is referred to in this Act as "in bankruptcy".

Conditions for making of bankruptcy order.

309.–(1) The High Court shall not make a bankruptcy order against a debtor under this Part unless it is satisfied–

(a) that on the date that the application was filed, the debtor–

(i) was ordinarily resident in Belize;

(ii) was personally present in Belize;

(iii) was carrying on business in Belize, either personally or by means of an agent or manager;

(iv) was a member of a partnership carrying on business in Belize by means of a partner or partners or of an agent or manager; or

(v) had a place of residence or a place of business in Belize;

(b) that the debtor has or appears to have assets in Belize; or

(c) that there is a reasonable prospect that the making of a bankruptcy order will benefit the creditors of the debtor.

(2) For the purposes of sub-section (1)*(a)(iii)* and *(iv)*, a debtor or a partnership is deemed to be carrying on business in Belize if liabilities incurred in the course of a business formerly carried on in Belize remain unpaid.

Persons who may apply for a bankruptcy order.

310. Application to the High Court for a bankruptcy order in respect of a debtor may be made–

(a) by the debtor himself under section 311;

(b) by a creditor of the debtor, or by one or more of his creditors jointly, under section 312; or

(c) by the supervisor of an arrangement or by a creditor of the debtor under section 317.

Application by debtor.

311.–(1) The High Court may make a bankruptcy order against a debtor on the application of the debtor himself if it is satisfied–

(a) that the debtor is unable to pay his debts as they fall due;

(b) that the unsecured liabilities of the debtor exceed the prescribed minimum; and

(c) that, if a bankruptcy order is made, the value of the debtor's assets available for distribution to his unsecured creditors will exceed the prescribed minimum.

(2) An application for a bankruptcy order filed by a debtor under sub-section (1) shall be accompanied by a verified statement of his assets and liabilities.

Creditor's application.

312.–(1) A creditor's application for a bankruptcy order shall be made in respect of a liability or liabilities where, at the time of the application–

(a) the amount of the liability, or the aggregate amount of the liabilities, exceeds the prescribed minimum; and

(b) the liability, or each of the liabilities, is for a liquidated sum payable to the applicant creditor immediately.

(2) An application under sub-section (1) may not be made in respect of a liability incurred outside Belize unless the liability is payable by the debtor to the creditor by virtue of a judgment or award enforceable by execution in Belize.

Substitution of applicant.

313.–(1) In the circumstances specified in sub-section (2), the High Court may, by order, substitute as applicant in a creditor's application for a bankruptcy order, a creditor–

(a) who has given notice of his intention to appear at the hearing of the application in accordance with the Regulations;

(b) who would otherwise have been entitled to make such an application on the date that the original application was made; and

(c) who consents to being substituted as the applicant.

(2) The High Court may make a substitution order under sub-section (1) if it considers it appropriate to do so–

(a) because the applicant applies to withdraw the application or consents to it being dismissed;

(b) because the High Court considers that the application is not being diligently proceeded with;

(c) where the applicant is not entitled to make the application; or

(d) for any other reason.

Application by secured creditor.

314.–(1) Where the applicant for a bankruptcy order is a secured creditor, he shall, in his application, state the full amount of the liability of the debtor to him and–

(a) state that he is willing, in the event of a bankruptcy order being made, to give up his security interest for the benefit of the other creditors of the bankrupt; or

(b) give an estimate of the value of his security interest and make the application in respect of the full amount of the liability of the debtor to him less the estimated value of his security interest.

(2) In a case falling within sub-section (1)*(b)*, the secured creditor is treated as an unsecured creditor in respect of the unsecured liability of the debtor to him.

Secured creditor failing to disclose security interest.

315.–(1) Subject to sub-section (2), a secured creditor who fails to disclose his security interest in an application for a bankruptcy order against a debtor is, in the event that a bankruptcy order is made on the application, deemed to have given up his security interest for the benefit of the other creditors of the bankrupt.

(2) If on the application of a secured creditor the High Court is satisfied that the failure of the creditor to disclose his security interest was inadvertent or due to an honest mistake, it may disapply sub-section (1) subject to such terms and conditions as it considers appropriate.

(3) Where sub-section (1) applies, the secured creditor concerned–

(a) is not entitled to enforce his security interest against the estate of the bankrupt or to retain any proceeds from the realisation of the security interest; and

(b) shall execute such document of release as is required by the trustee or account and pay over to the trustee all proceeds from any realisation of his security interest.

(4) Where a secured creditor fails to execute a document of release as required by sub-section (2)*(b)*, the trustee may apply to the High Court for an order that the trustee may execute the document on his behalf and, where the High the High Court makes such an order, the execution of the document by the trustee takes effect as if executed by the secured creditor.

(5) A secured creditor who fails to account or pay to the trustee the proceeds from any realisation of his security interest in accordance with sub-section (3)*(b)* commits an offence.

Hearing of creditor's application.

316.–(1) Subject to sub-section (2), the High Court may make a bankruptcy order on an application made under section 312 if it is satisfied that the debtor is insolvent within the meaning of section 8(2) and–

(a) where the debtor has failed to comply with the requirements of a statutory demand, the

demand was made by the creditor making the application; or

(b) where execution or other process has been returned unsatisfied, the debt is payable to the creditor making the application.

(2) The High Court shall not make a bankruptcy order under sub-section (1) unless it is satisfied that–

(a) the debt, or one of the debts, in respect of which the application is made is a debt which, having been payable at the date of the application, has neither been paid nor secured nor compounded for; and

(b) where the debtor does not appear at the hearing, he has been served with the application.

(3) The High Court may dismiss an application made under section 312 if–

(a) it is not satisfied with the proof of the liability or liabilities in respect of which the application is made;

(b) it is not satisfied with the proof of the service of the application on the debtor;

(c) it is satisfied that the debtor is able to discharge all his liabilities;

(d) it is satisfied that the debtor has made an offer to secure or compound for a liability in respect of which the application is made, the acceptance of which would have required the dismissal of the application and that offer

has been unreasonably refused by the creditor making the application; or

(e) it is satisfied that for some other sufficient reason, a bankruptcy order ought not to be made.

(4) Nothing in section 312 or in this section limits the power of the High Court, in accordance with the Regulations, to authorise a creditor's application to be amended by the omission of any creditor or liability.

(5) Where an application is amended under sub-section (4), the High Court may order that the application is proceeded with as if anything done for the purposes of this section or section 312 had been done only by or in relation to the remaining creditors or debts.

Application where individual creditors' arrangement in place.

317.–(1) Where an individual creditors' arrangement has been approved under Part II and has not been completed or otherwise come to an end, the High Court may make a bankruptcy order against a debtor on the application of the supervisor or a creditor bound by the arrangement if it is satisfied–

(a) that the debtor has failed to comply with his obligations under the arrangement; or

(b) that information which was false or misleading in any material particular or which contained material omissions–

(i) was contained in any statement of assets and liabilities or other document supplied by the debtor under Part II to any person; or

(ii) was otherwise made available by the debtor to his creditors at or in

connection with a meeting summoned under that Part, or

(c) that the debtor has failed to do all such things as may for the purposes of the arrangement have been reasonably required of him by the supervisor of the arrangement.

(2) Where a bankruptcy order is made on an application under sub-section (1), any remuneration of the supervisor is a first charge on the bankrupt's estate.

Consolidation of applications.

318. Where two or more applications for bankruptcy orders are presented against the same debtor, the High Court may consolidate the proceedings or any of them on such terms as it considers fit.

Withdrawal of application.

319. An application for a bankruptcy order may not be withdrawn except with the leave of the High Court.

High Court's powers on hearing of application for bankruptcy order.

320. On the hearing of an application for a bankruptcy order under section 311, section 312 or section 317, the High Court may–

(a) make a bankruptcy order;

(b) if it appears appropriate to do so on the grounds that there has been a contravention of the Regulations or for any other reason, dismiss the application or stay proceedings on the application on such terms and conditions as it considers fit;

(c) adjourn the hearing conditionally or unconditionally; or

(d) make any interim order or other order that it considers fit.

Appointment of bankruptcy trustee.

321. Where the High Court makes a bankruptcy order it shall appoint either the Official Receiver or an eligible insolvency practitioner to be the bankruptcy trustee of the bankrupt.

Period within which application shall be determined.

322.–(1) Subject to sub-section (2), an application for a bankruptcy order shall be determined within 3 months after it is filed.

(2) The High Court may, upon such conditions as it considers fit, extend the period referred to in sub-section (1) for a period of, or where it grants more than one extension for an aggregate period not exceeding, 3 months if–

(a) it is satisfied that special circumstances justify the extension; and

(b) the order extending the period is made before the expiry of that period or, if a previous order has been made under this sub-section, that period as extended.

(3) If an application is not determined within the period referred to in sub-section (1) or within that period as extended, it is deemed to have been dismissed.

Protection of assets after application for bankruptcy order.

323.–(1) Where an application for a bankruptcy order has been filed in respect of a debtor but not yet determined or withdrawn, the High Court may, if it considers it necessary for the protection of the debtor's assets–

(a) make an order directing the Official Receiver or an eligible insolvency practitioner to take control of–

(i) the debtor's assets, or any part of them; and

(ii) such books or other documents of the debtor as may be specified in the order; and

(b) make any other order in relation to the debtor's assets.

(2) An application for an order under sub-section (1) may be made by–

(a) the applicant for the bankruptcy order;

(b) the debtor himself; or

(c) any creditor of the debtor.

(3) An order under sub-section (1) may be made on such terms as it considers fit and may, as a condition precedent, require the applicant to deposit at the High Court such sum as the High Court considers reasonable to cover the remuneration of the Official Receiver or the insolvency practitioner appointed.

(4) An order under sub-section (1) remains in effect until the earlier of–

(a) the discharge of the order by the High Court of its own motion or on the application of–

(i) the Official Receiver or eligible insolvency practitioner appointed under sub-section (1)*(a)*; or

(ii) any person specified in sub-section (2); or

(b) the determination or withdrawal of the application for a bankruptcy order, whereupon the appointment of the Official Receiver or insolvency practitioner is terminated.

(5) On the order ceasing to have effect, the High Court may give such directions or make such order with respect

to the accounts of the administration of the appointee, or to any other matter, as it considers appropriate.

Effect of order under section 323.

324. Whilst an order under section 323(1) is in effect, unless the leave of the High Court has been obtained–

(a) no steps may be taken to enforce any security interest over the debtor's assets;

(b) no steps may be taken to repossess assets that are being used or occupied by or are in the possession of the debtor; including–

(i) goods supplied under a hire purchase, conditional sale or ; and

(ii) goods supplied subject to a retention of title agreement; and

(c) no proceedings, execution or other legal process may be commenced or continued or distress levied against the debtor or his assets.

Remuneration of person appointed under section 323.

325.–(1) The Official Receiver or the insolvency practitioner directed to take control of a debtor's assets under section 323(1) is entitled to be paid such remuneration as the High Court may order applying the general principles specified in section 448.

(2) Subject to sub-sections (3) and (4), the remuneration ordered to be paid under sub-section (1) is payable–

(a) where a bankruptcy order is not made, out of the assets of the debtor;

(b) where a bankruptcy order is made, out of the bankrupt's estate in accordance with the prescribed priority.

(3) If a bankruptcy order is not made, the High Court may order the applicant for the order under section 323 to pay or contribute to the remuneration of the Official Receiver or insolvency practitioner directed to take control of the assets under section 323(1) if it is satisfied that the applicant–

(a) misled the High Court when making the application; or

(b) acted unreasonably in making the application.

(4) If the assets of the debtor are not sufficient to pay the remuneration ordered to be paid by the High Court under sub-section (1), the High Court may order the shortfall, or part of the shortfall, to be paid by the applicant for the order made under section 323.

(5) Unless the High Court otherwise orders, where sub-section (2)*(a)* applies, the Official Receiver, or the insolvency practitioner appointed under section 323, may retain out of the debtor's assets such sums or assets as are, or may be, required for meeting his remuneration.

Examination.

326. The Official Receiver or the insolvency practitioner directed to take control of a debtor's assets under section 323(1) may apply for an order to examine the debtor under section 385, and sections 385 to 389 apply as if–

(a) references to the Official Receiver or the trustee were to the person directed to take control of the debtor's assets; and

(b) references to the bankrupt and to his estate were to the debtor and his assets.

Effect of bankruptcy order.

327. On the making of a bankruptcy order, the assets comprised in the bankrupt's estate–

(a) vest in his trustee without any conveyance, assignment or transfer; and

(b) become divisible among his creditors in accordance with this Act.

Power to stay or restrain proceedings.

328.–(1) An order under sub-section (2) or (3) may be made–

(a) after an application for a bankruptcy order has been filed against an individual but not yet determined; or

(b) whilst an individual is an undischarged bankrupt.

(2) At any time during either period specified in sub-section (1)–

(a) the High Court may stay any action, proceeding, execution, distress or other legal process against the person or the assets of the individual concerned; and

(b) any court in which proceedings are pending against any individual may either stay the proceedings or allow them to continue on such terms as it thinks fit.

(3) After the making of a bankruptcy order no person who is a creditor of the bankrupt in respect of a debt that may be claimed in the bankruptcy shall–

(a) have any remedy against the assets or person of the bankrupt in respect of that debt; or

(b) before the discharge of the bankrupt, commence any action or other legal proceedings against the bankrupt except with

the leave of the court and in such terms as the High Court may impose.

(4) This section–

(a) does not affect the right of a secured creditor to enforce his security; and

(b) is subject to section 367 and section 368.

Definition of bankrupt's estate.

329.–(1) Subject to sub-section (2), the bankrupt's estate comprises–

(a) all assets belonging to or vested in the bankrupt at the date of the bankruptcy order;

(b) assets claimed by the trustee under section 334 or 335; and

(c) the capacity to exercise and to take proceedings for exercising all such powers in or over or in respect of assets as might have been exercised by the bankrupt for his own benefit at the date of the bankruptcy order.

(2) Sub-section (1) does not apply to–

(a) assets held by the bankrupt on trust for any other person;

(b) such tools, books, vehicles and other items of equipment as are necessary to the bankrupt for use personally by him in his employment or business;

(c) such clothing, bedding, furniture, household equipment and provisions as are necessary for satisfying the basic domestic needs of the bankrupt and his family; and

(d) any asset of the bankrupt which is excluded from his estate under any other enactment.

(3) The assets comprised in a bankrupt's estate are divisible amongst his creditors in accordance with this Part.

(4) Assets comprised in a bankrupt's estate are subject to the rights of any person other than the bankrupt in relation to those assets, whether as a secured creditor of the bankrupt or otherwise, but disregarding–

(a) any rights given up under section 314(1)*(a)*; and

(b) any rights which have been otherwise given up in accordance with the Regulations.

(5) Unless the context otherwise requires, a reference in this Part to the assets of the bankrupt means the assets comprised in the bankrupt's estate.

Acquisition by trustee of control of bankrupt's estate.

330.–(1) A trustee shall forthwith after the making of a bankruptcy order take possession of–

(a) all documents which relate to the bankrupt's estate or affairs and which belong to him or are under his control, including documents which would be privileged from disclosure in any proceedings; and

(b) all assets of the bankrupt that are capable of manual delivery.

(2) A trustee is, in relation to and for the purposes of acquiring or retaining possession of the assets of the bankrupt, in the same position as a receiver of the assets appointed by the High Court, and the High Court may, on his application, enforce the acquisition or retention accordingly.

(3) Where any part of the bankrupt's estate consists of stock, shares or shares in a ship or any other assets transferable in the books of a company, office or person, the trustee may exercise the right to transfer the assets to the same extent as the bankrupt might have exercised it if he had not become bankrupt.

(4) Where any part of the estate consists of things in action, they are deemed to have been assigned to the trustee.

(5) Notice of the deemed assignment of things in action under sub-section (4) need not be given except in so far as it is necessary, in a case where the deemed assignment is from the bankrupt himself or herself, for protecting the priority of the trustee.

Goods subject to pledge etc.

331.–(1) Where any goods of a bankrupt are held by any person by way of pledge, security right, pawn or other security, the trustee of the bankrupt may, after giving notice of his intention to do so, inspect the goods.

(2) Where a person receives a notice under sub-section (1), he is not entitled to realise his security unless he has given the trustee a reasonable opportunity to inspect the goods and, if the goods are comprised in the estate of the bankrupt, to exercise the bankrupt's right of redemption.

Duties of bankrupt in relation to his assets and affairs.

332.–(1) Where a bankruptcy order has been made, the bankrupt shall–

(a) make discovery of and deliver to his trustee all the assets comprised in his estate that are in his possession or control; and

(b) deliver to his trustee all documents in his possession or control which relate to his assets or affairs, including any documents which, in any proceedings, would be privileged from disclosure.

(2) Where the bankrupt is unable to deliver any assets comprised in his estate to his trustee, the bankrupt shall do everything reasonably required by his trustee to protect those assets.

(3) The bankrupt shall–

(a) give his trustee such information concerning his assets and affairs;

(b) attend on him at such times; and

(c) do all such other things, as his trustee may reasonably require for the purposes of carrying out his functions under this Act.

(4) If at any time after the time of the bankruptcy order any assets are acquired by, or devolve on, the bankrupt or there is an increase in the bankrupt's income, he shall, within the prescribed time period, give the trustee notice of the assets or of the increased income.

(5) Sub-section (3) applies to a bankrupt after his discharge.

(6) If the bankrupt without reasonable excuse fails to comply with any obligation imposed by this section, he commits an offence.

Delivery up by other persons.

333.–(1) Any person who holds assets to the account of, or for, the bankrupt shall pay or deliver to the trustee the assets in his possession or under his control unless he is, by law, entitled to retain the assets against the bankrupt or the trustee.

(2) Any person who, without reasonable excuse, fails to comply with any obligation imposed by this section, commits an offence and is liable to an administrative fine imposed by the Commission as set out in Regulations.

After-acquired assets.

334.–(1) Subject to sections 329(2) and 337, the trustee may by notice in writing served on the bankrupt claim for the bankrupt's estate any assets which have been acquired by, or have devolved upon, the bankrupt after the date of the bankruptcy order but prior to the date of his discharge.

(2) Subject to sub-section (3), on the service of a notice under sub-section (1) on the bankrupt, the assets to which the notice relates vest in the trustee as part of the bankrupt's estate and the trustee's title to those assets relates back to the time at which the assets were acquired by, or devolved upon, the bankrupt.

(3) Where, whether before or after service of a notice under this section–

(a) a person acquires assets in good faith, for value and without notice of the bankruptcy; or

(b) a banker enters into a transaction in good faith and without such notice,

the trustee is not in respect of those assets or that transaction entitled by virtue of this section to any remedy against that person or banker, or any person whose title to any assets derives from that person or banker.

(4) For the purposes of this section, a reference to "assets" does not include any asset which, as part of the bankrupt's income, may be the subject of an income payments order under section 338.

Vesting in trustee of certain items of excess value.

335.–(1) Subject to section 337, where–

(a) assets are excluded from the bankrupt's estate by virtue of section 329(2)*(b)* or *(c)*; and

(b) it appears to the trustee that the realisable value of those assets or any of them exceeds the cost of a reasonable replacement,

the trustee may, by notice in writing served on the bankrupt, claim the asset or assets for the bankrupt's estate.

(2) On the service on the bankrupt of a notice under sub-section (1), the assets to which the notice relates vest in the trustee as part of the bankrupt's estate; and, except against a purchaser in good faith, for value and without notice of the bankruptcy, the trustee's title to those assets has relation back to the date of the bankruptcy order.

(3) The trustee shall apply funds comprised in the estate to the purchase by or on behalf of the bankrupt of a reasonable replacement for any assets vested in him under this section and the duty imposed by this sub-section has priority over the obligation of the trustee to distribute the estate.

(4) For the purposes of this section, an asset is a reasonable replacement for another asset if it is reasonably adequate for meeting the needs met by the other asset.

Money provided in lieu of sale.

336.–(1) A third party may offer the trustee a sum of money to enable the bankrupt to be left in possession of assets which would otherwise vest in the trustee under section 335.

(2) The trustee may accept an offer made under sub-section (1) if he is satisfied that it is a reasonable offer and that the estate will benefit to the extent of the value of the assets in question less the cost of a reasonable replacement.

Time limit for notice under sections 334 or 335.

337.–(1) Except with the leave of the High Court, a notice may not be served–

(a) under section 334, after the end of the period of 42 days beginning with the day on which

it first came to the knowledge of the trustee that the assets in question had been acquired by, or had devolved upon, the bankrupt;

(b) under section 335, after the end of the period of 42 days beginning with the day on which the assets in question first came to the knowledge of the trustee.

(2) For the purposes of this section–

(a) anything which comes to the knowledge of the trustee is deemed in relation to any successor of his as trustee to have come to the knowledge of the successor at the same time; and

(b) anything which comes to the knowledge of a person before he is the trustee, otherwise than under paragraph *(a)*, is deemed to come to his knowledge on his appointment taking effect.

Income payments orders.

338.–(1) The High Court may, on the application of the trustee, make an income payments order claiming for the bankrupt's estate so much of the income of the bankrupt during the period for which the order is in force as may be specified in the order.

(2) The High Court shall not make an income payments order the effect of which would be to reduce the income of the bankrupt below what appears to the High Court to be necessary for meeting the reasonable domestic needs of the bankrupt and his family.

(3) An income payments order shall, in respect of any payments of income to which it is to apply, either–

(a) require the bankrupt to pay the trustee an amount equal to so much of that payment as is claimed by the order; or

(b) require the person making the payment to pay so much of it as is so claimed to the trustee, instead of to the bankrupt.

(4) Sums received by the trustee under an income payments order form part of the bankrupt's estate.

(5) Subject to section 395(1) an income payments order shall not be made after the discharge of the bankrupt, and if made before, shall not have effect after his discharge.

(6) Subject to sub-section (8), for the purposes of this section, the income of the bankrupt comprises every payment in the nature of income which is from time to time made to him or to which he from time to time becomes entitled, including any payment in respect of the carrying on of any business or in respect of any office or employment and any payment under a pension scheme.

(7) The Regulations may provide that pension payments paid to the bankrupt up to a maximum amount specified in the Regulations are exempt from sub-section (7).

Bankruptcy trustee officer of High Court.

339. In performing his functions and undertaking his duties under this Act, a bankruptcy trustee acts as an officer of the High Court.

General duties of trustee.

340.–(1) The principal duties of a trustee are–

(a) to take possession of, protect and realise the bankrupt's estate; and

(b) to distribute the bankrupt's estate in accordance with this Act.

(2) Where the trustee is not the Official Receiver, he has a duty–

(a) to provide the Official Receiver with such information;

(b) to produce to the Official Receiver, and permit inspection by the Official Receiver of, such documents; and

(c) to give the Official Receiver such other assistance, as the Official Receiver may reasonably require for the purpose of enabling him to carry out his functions in relation to the bankruptcy.

(3) A trustee shall, subject to this Act and the Regulations, use his own discretion in undertaking his duties.

(4) If it appears to the trustee that the bankrupt is carrying on or has carried on unlicensed financial services business–

(a) he shall, as soon as reasonably practicable, report the matter to the Commission; and

(b) for the purposes of sub-section (5), he shall treat the bankrupt as a regulated entity.

(5) Where the bankrupt is or has been a regulated entity, the trustee shall–

(a) send to the Commission a copy of every notice or other document that he is required to file with the High Court or to send to a creditor of the bankrupt; and

(b) unless the applicant is the Commission, give the Commission notice of any application

made to the High Court with respect to the bankruptcy, whether the application is made by him or by some other person.

(6) A trustee also has the other duties imposed by this Act and the Regulations and such duties as may be imposed by the High Court.

Powers of trustee.

341.–(1) A trustee may–

(a) with the permission of the creditors' committee or the High Court, exercise any of the powers specified in Part 1 of Schedule IV;

Schedule IV.

(b) without that permission, exercise any of the general powers specified in Part 2 of Schedule IV.

Schedule IV.

(2) With the permission of the creditors' committee or the High Court, the trustee may appoint the bankrupt–

(a) to superintend the management of his estate or any part of it;

(b) to carry on his business, if any, for the benefit of his creditors; or

(c) in any other respect to assist in administering the estate in such manner and on such terms as the trustee may direct.

(3) A permission given for the purposes of sub-section (1)*(a)* or (2) shall not be a general permission but shall relate to a particular proposed exercise of the power in question and a person dealing with the trustee in good faith and for value is not to be concerned to enquire whether any permission required in either case has been given.

(4) Subject to sub-section (5), where the trustee has done anything without the permission required by sub-section (1)*(a)* or (2), the High Court or the creditors' committee may, for the purpose of enabling him to meet his expenses out of the bankrupt's estate, ratify what the trustee has done.

(5) The creditors' committee shall not ratify the trustee's actions under sub-section (4) unless it is satisfied that the trustee acted in a case of urgency and sought the committee's ratification without undue delay.

(6) Part 3 of Schedule IV has effect with respect to the things which the trustee is able to do for the purposes of, or in connection with, the exercise of any of his powers under this Part. **Schedule IV.**

(7) Where the trustee, not being the Official Receiver, in exercise of the powers conferred on him by any provision in this Part–

(a) disposes of any asset comprised in the bankrupt's estate to an associate of the bankrupt, or

(b) employs a solicitor, he shall give notice to any creditors' committee of that exercise of his powers.

(8) Nothing in this Act is to be construed as restricting the capacity of the trustee to exercise any of his powers outside Belize.

(9) The acts of the trustee of a bankrupt are valid notwithstanding any defect in his nomination, appointment or qualifications.

342.–(1) A trustee shall, within 14 days of the date of his appointment– **Notice of appointment.**

(a) advertise his appointment in accordance with the Regulations;

(b) serve notice of his appointment on the bankrupt;

(c) if he has been appointed in respect of an individual who is a regulated entity, serve notice of his appointment on the Commission;

(d) send a notice of his appointment to every creditor of the bankrupt; and

(e) unless the Official Receiver is the trustee, file notice of his appointment with the Official Receiver.

(2) An advertisement under sub-section (1)*(a)* and a notice under sub-section (1)*(d)* shall set out the powers of the creditors under this Part to require him to call a meeting of creditors.

(3) A trustee who contravenes sub-section (1) or (2) commits an offence and is liable to an administrative fine imposed by the Commission as set out in Regulations.

Appointment of trustee in place of Official Receiver.

343.–(1) When the Official Receiver is the trustee of a bankrupt's estate the High Court may, on his application, appoint an eligible insolvency practitioner to act as trustee in his place.

(2) An application may be made under sub-section (1) notwithstanding that the High Court has refused to make an appointment on a previous application by the Official Receiver.

Removal of trustee.

344.–(1) The High Court may, on application by a person specified in sub-section (2) or on its own motion, remove a trustee from office if–

(a) the trustee–

(i) is not eligible to act as an insolvency practitioner in relation to the bankrupt;

(ii) breaches any duty or obligation imposed on him by or owed by him under this Act, the Regulations or the Regulations made under section 499 or, in his capacity as trustee, under any other enactment or law in Belize; or

(iii) fails to comply with any direction or order of the Court made in relation to the bankruptcy; or

(b) the High Court is satisfied that–

(i) the trustee's conduct of the bankruptcy is below the standard that may be expected of a reasonably competent trustee;

(ii) the trustee has an interest that conflicts with his role as trustee; or

(iii) that for some other reason he should be removed as trustee.

(2) An application to the High Court to remove a trustee from office may be made by–

(a) the creditors' committee, if any;

(b) a creditor of the bankrupt; or

(c) the Official Receiver.

(3) Where the High Court removes a trustee from office under this section–

(a) if, following his removal, there is at least one trustee remaining in office, the High Court may appoint an eligible insolvency practitioner as trustee in his place; or

(b) if the trustee removed was the sole trustee of the bankrupt, the High Court shall appoint the Official Receiver or an eligible insolvency practitioner as trustee in his place.

(4) On the hearing of an application under this section, the High Court may make any interim or other order it considers fit.

Resignation of trustee.

345.–(1) A trustee–

(a) shall resign if he is no longer eligible to act as an insolvency practitioner in relation to the bankrupt; and

(b) may, in accordance with sub-section (4) resign if–

(i) if the trustee intends to cease to be in practice as an insolvency practitioner;

(ii) if there is some conflict of interest or change of personal circumstances that precludes or makes impracticable the further discharge by him of his duties; or

(iii) on the grounds of ill health.

(2) Where a trustee resigns under sub-section (1) *(a)*, the trustee shall send a notice of his resignation, to the creditors of the bankrupt and to the Official Receiver, who shall file a copy of the notice with the High Court, and his

resignation takes effect from the date that the notice is filed by the Official Receiver with the High Court.

(3) Notwithstanding sub-section (1)*(b)*, where joint trustees are appointed, one or more of the joint trustees may resign in accordance with sub-section (4) if–

(a) all the joint trustees are of the opinion that it is no longer necessary or expedient for the resigning trustee or trustees to continue in office; and

(b) at least one of them will remain in office.

(4) Where a trustee intends to resign on one of the grounds referred to in sub-section (1)*(b)* or under sub-section (3), the trustee shall call a meeting of creditors for the purpose of accepting his resignation as trustee.

(5) If, at the meeting called under sub-section (4), the creditors resolve to accept the resignation of the trustee, he shall send a notice of his resignation to the creditors of the bankrupt and to the Official Receiver, who shall file a copy of the notice with the High Court, and his resignation takes effect from the date that the notice is filed by the Official Receiver with the High Court.

(6) If the creditors refuse or fail to accept the resignation of the trustee, he may apply to the High Court for leave to resign in accordance with the Regulations.

(7) This section does not apply to the Official Receiver when acting as the trustee of a bankrupt.

Appointment of replacement trustee.

346.–(1) Where a trustee dies or resigns under section 345, the High Court, on the application of a person specified in sub-section (2) or on its own motion–

(a) if there is at least one trustee remaining in place, may appoint an eligible insolvency practitioner as trustee in his place; or

(b) if the trustee who has died or resigned was the sole trustee of the bankrupt, shall appoint the Official Receiver or an eligible insolvency practitioner in his place.

(2) An application under sub-section (1) may be made–

(a) by any continuing trustee;

(b) by the creditors' committee, if any; or

(c) by the Official Receiver.

(3) Where there is a vacancy in the office of trustee, for whatever reason, the Official Receiver is trustee until the vacancy is filled.

Remuneration of trustee.

347. The remuneration payable to a trustee shall be fixed applying the principles specified in section 448.

General control of trustee by the High Court.

348.–(1) A person aggrieved by an act, omission or decision of a trustee may apply to the High Court and the High Court may confirm, reverse or modify the act, omission or decision of the trustee.

(2) A trustee may apply to the High Court for directions in relation to any particular matter arising under the bankruptcy.

Meetings of creditors.

349.–(1) A trustee may at any time call a meeting of the creditors of the bankrupt–

(a) by sending a notice of the meeting by post to every creditor not less than 7 days before the

date upon which the meeting is to be held; and

(b) by advertising the meeting.

(2) Notwithstanding sub-section (1), the trustee shall call a meeting of creditors if–

(a) a meeting is requisitioned by the creditors of the bankrupt in accordance with sub-section (3); or

(b) the trustee is directed to do so by the High Court.

(3) A creditors' meeting may be requisitioned in accordance with the Regulations by 25% in value of the creditors of the bankrupt.

(4) The trustee may, if he considers it appropriate, by written notice, require the bankrupt to attend a creditors' meeting called under this section.

(5) The bankrupt commits an offence if–

(a) he receives a notice to attend a creditors' meeting under sub-section (4); and

(b) without reasonable excuse, he fails to attend the meeting.

Distribution of bankrupt's estate.

350.–(1) The bankrupt's estate shall be applied–

(a) in paying, in priority to all other claims, the costs and expenses properly incurred in the bankruptcy in accordance with the prescribed priority;

(b) after payment of the costs and expenses of the bankruptcy, in paying the preferential claims admitted by the trustee in accordance with the provisions for the payment of preferential claims prescribed;

(c) after payment of the preferential claims, in paying all other claims admitted by the trustee; and

(d) after paying all admitted claims, in paying any interest payable under section 358.

(2) Subject to section 150, the claims referred to in sub-section (1) rank equally and, if the bankrupt's estate is insufficient to meet them all in full, they shall be paid rateably.

Debts to spouse.

351. Any claims in respect of credit provided by a person who was the bankrupt's spouse at the time of the bankruptcy order, whether or not he was the bankrupt's spouse at the time the credit was provided–

(a) rank in priority after the debts and interest specified in section 358(1); and

(b) are payable with interest at the rate specified in section 358(1)*(d)* in respect of the period during which they have been outstanding since the date of the bankruptcy order,

and the interest payable under paragraph *(b)* has the same priority as the debts on which it is payable.

Claims by unsecured creditors.

352.–(1) An unsecured creditor may make a claim in the bankruptcy of an individual by submitting to the trustee a written claim, signed by him or on his behalf.

(2) The trustee may require an unsecured creditor who intends to submit, or who has submitted, a claim under sub-section (1)–

(a) to verify his claim by affidavit;

(b) to provide further particulars of his claim; or

(c) to provide him with documentary or other evidence to substantiate the claim.

(3) Subject to sub-section (7), as soon as reasonably practicable after receiving a claim under sub-section (1) from a creditor who has complied with any requirements that the trustee may have imposed under sub-section (2), the trustee shall either admit or reject the claim in whole or in part.

(4) If the trustee rejects the claim, whether in whole or in part, he shall as soon as practicable provide the creditor with a notice of rejection in which the reasons for the rejection of the claim shall be specified.

(5) Unless the High Court otherwise orders, a creditor shall bear the costs of making a claim under this section, including the costs of complying with any requirements imposed by the trustee under sub-section (2).

(6) The trustee shall not admit a claim in the bankruptcy unless it has been made in accordance with this section.

(7) The trustee is not required to admit or reject claims under sub-section (3) at any time when it appears to him that there are insufficient assets in the bankrupt's estate to enable a distribution to be made to unsecured creditors.

(8) A person who makes or authorises the making of a claim under this section knowing that–

(a) the claim is false or misleading in a material matter; or

(b) a material fact or matter has been omitted from the claim,

commits an offence.

Variation, withdrawal and expunging of claims.

353.–(1) A claim made under section 352 may–

(a) be amended or withdrawn by the creditor at any time before the trustee has admitted it; and

(b) be amended or withdrawn by agreement between the creditor and the trustee at any time after the trustee has admitted it.

(2) The High Court, on the application of the trustee or, where the trustee declines to make application under this sub-section, a creditor, may expunge or amend an admitted claim if it is satisfied that the claim should not have been admitted or should be reduced.

Claims by secured creditors.

354.–(1) A secured creditor may–

(a) value the assets subject to the security interest and claim in the bankruptcy as an unsecured creditor for the balance of his debt; or

(b) surrender his security interest to the trustee for the general benefit of creditors and claim in the bankruptcy as an unsecured creditor for the whole of his debt.

(2) A secured creditor may, at any time apply to the trustee to amend the value that he placed on the security interest in his claim.

(3) If, on receiving an application under sub-section (2), the trustee is satisfied that–

(a) the value placed on the security interest was an estimate made in good faith on a mistaken basis; or

(b) the value of the security interest has subsequently changed,

the trustee may permit the secured creditor to amend the value that he places on the security interest.

(4) If the trustee is dissatisfied with the value placed on a security interest by a secured creditor, whether under sub-section (1)*(a)* or on an amendment under sub-section (3), the trustee may require the assets comprised in the security interest to be offered for sale.

(5) A sale under sub-section (4) is to be on such terms and conditions as are agreed by the secured creditor and the trustee or, in default, as the High Court determines.

(6) If assets are offered for sale by public auction, both the secured creditor and the trustee are entitled to bid for and purchase them.

Redemption of security interest by trustee.

355.–(1) Where a secured creditor has claimed in a bankruptcy under section 354(1)*(a)*, the trustee may at any time give notice to the creditor that he proposes at the expiration of 28 days from the date of the notice to redeem the security interest at the value placed on it by the creditor.

(2) A secured creditor who receives a notice under sub-section (1) may, within 21 days of the date of the notice, apply to the trustee to revise the value that he places on the security interest in accordance with section 354(2).

(3) At the expiration of 28 days from the date of the notice under sub-section (1), the trustee may redeem the

security interest at the value placed on it by the creditor unless–

(a) the secured creditor has applied to the trustee to amend the value that he places on the security interest and that application has not been determined; or

(b) the secured creditor has appealed to the High Court against the refusal of the trustee to permit him to amend the value that he places on his security interest, and that appeal has not been determined.

(4) Where, subsequent to a notice to redeem issued under sub-section (1), the value placed by the secured creditor on his security interest is amended, whether with the consent of the trustee or on appeal to the High Court, the trustee may only redeem the security interest at the new value.

(5) A secured creditor may, by serving a notice to elect on the trustee, require him to elect whether or not to exercise his power to redeem under this section.

(6) Where a notice to elect is served on a trustee under sub-section (5), he is not entitled to redeem the security interest unless he does so within six months of the date of service of the notice on him or within such extended period as the High Court may allow.

Realisation of security interest by secured creditor.

356.–(1) Where a secured creditor realises his security interest and there is a surplus remaining from the net amount realised after satisfaction of the debt secured, he shall account to the trustee for the surplus, after making any proper payments to the holder of any other security interest over the assets subject to that charge.

(2) Where a secured creditor realises his security interest and the net amount realised is not sufficient to satisfy the debt secured–

(a) if the creditor has previously valued his security interest and claimed in the bankruptcy for the balance under section 354(1)*(a)*, the net amount realised is substituted for the value previously placed by the creditor on the security interest; or

(b) in any other case, the creditor may claim in the bankruptcy as an unsecured creditor for the balance of his debt.

(3) For the purposes of this section, the secured debt includes contractual interest payable to the secured creditor on the debt up to the time of its satisfaction.

Surrender for non-disclosure.

357.–(1) Subject to sub-section (2), if a secured creditor omits to disclose his security interest when submitting a claim in a bankruptcy, he shall surrender his security interest for the general benefit of the creditors.

(2) The High Court may, on application by a secured creditor who is required to surrender his security interest under sub-section (1), if it is satisfied that the omission was inadvertent or the result of an honest mistake by order direct–

(a) that he is not required to surrender his security interest; and

(b) that he values his security interest and amends his claim accordingly.

Interest after commencement of bankruptcy.

358.–(1) Interest is payable on any claim in a bankruptcy in respect of the period after the commencement of the bankruptcy in accordance with this section.

(2) Any surplus remaining after the payment of all claims in the bankruptcy shall, before being applied for any other purpose, be applied in paying interest on those claims in respect of the periods during which they have been unpaid since the commencement of the bankruptcy.

(3) Subject to section 150, all interest payable under this section ranks equally, whether or not the claims on which it is payable rank equally.

(4) The rate of interest payable under this section is the greater of–

(a) the court rate; and

(b) the rate that would be applicable to the claim if a bankruptcy order had not been made.

Distribution by means of dividend.

359.–(1) Whenever the trustee has sufficient funds in hand for the purpose, he shall, subject to the retention of such sums as may be necessary for his remuneration and the other costs and expenses of the bankruptcy, distribute dividends among the creditors whose claims he has admitted.

(2) Before distributing a dividend under sub-section (1), the trustee shall send each creditor a notice–

(a) stating that he intends to distribute a dividend; and

(b) fixing a date on or before which creditors shall submit their claims to him.

(3) In determining the funds available for distribution to creditors by way of a dividend, the trustee shall make provision–

(a) for any admissible debts which appear to him to be due to persons who, by reason of

the distance of their place of residence, may not have had sufficient time to submit their claims;

(b) for any admissible debts which are the subject of claims which have not yet been determined; and

(c) for disputed claims.

Claims by unsatisfied creditors.

360.–(1) A creditor who has not submitted his claim by the date fixed in the notice issued under section 359(2) is not entitled to disturb, by reason that he has not participated in it, the distribution of that dividend, but–

(a) when that claim has been admitted, he is entitled to be paid out of any money for the time being available for the payment of any further dividend, any dividend or dividends which he has failed to receive; and

(b) any dividend or dividends payable under paragraph *(a)* shall be paid before that money is applied to the payment of any such further dividend.

(2) Subject to section 362, where the trustee makes more than one distribution, section 359 and sub-section (1) of this section apply to each distribution.

Distribution of assets in specie.

361.–(1) Without prejudice to the provisions in this Act concerning disclaimer, the trustee may, with the permission of the creditors' committee or the High Court, divide in their existing form amongst the bankrupt's creditors, according to their estimated value, any assets which from their peculiar nature or other special circumstances cannot be readily or advantageously sold.

(2) A permission given for the purposes of sub-section (1) shall not be a general permission but shall relate to a particular proposed exercise of the power in question and a person dealing with the trustee in good faith and for value is not to be concerned to enquire whether any permission required by sub-section (1) has been given.

(3) Subject to sub-section (4), where the trustee has done anything without the permission required by sub-section (1), the High Court or the creditors' committee may, for the purpose of enabling him to meet his expenses out of the bankrupt's estate, ratify what the trustee has done.

(4) The committee may only ratify the trustee's actions under sub-section (3) if it is satisfied that the trustee acted in a case of urgency and that he has sought its ratification without undue delay.

Final distribution.

362.–(1) When the trustee has realised all the bankrupt's estate or so much of it as can, in the trustee's opinion, be realised without needlessly protracting the bankruptcy, he shall give notice in the prescribed manner either–

(a) of his intention to distribute a final dividend; or

(b) that no dividend, or further dividend, will be distributed.

(2) A notice given under sub-section (1) shall require claims against the bankrupt's estate to be established by a date specified in the notice (referred to in this section as "the final date").

(3) The High Court may, on the application of any person, postpone the final date.

(4) After the final date, the trustee shall–

(a) defray any outstanding expenses of the bankruptcy out of the bankrupt's estate; and

(b) if he intends to distribute a final dividend, distribute that dividend without regard to the claim of any person in respect of a claim not already admitted in the bankruptcy.

No action for dividend.

363. No action lies against the trustee for a dividend, but if the trustee refuses to pay a dividend the High Court may, if it thinks fit, order him to pay it and also to pay out of his own money–

(a) interest on the dividend at the court rate from the time it was withheld; and

(b) the costs of the application.

Right of bankrupt to surplus.

364.–(1) Subject to sub-section (2), the bankrupt is entitled to any surplus remaining after payment in full of the costs, expenses and claims referred to in section 350(1).

(2) The High Court may make an order directing the trustee not to distribute the surplus or any part of it to the bankrupt if, on the application of the Attorney General, it is satisfied that–

(a) proceedings under any enactment dealing with the confiscation of the proceeds of crime are pending; and

(b) the assets of the bankrupt may become subject to a confiscation order or to be required to meet some other order made in those proceedings.

(3) The High Court may, on the application of the Attorney General or the bankrupt vary or revoke an order made under sub-section (2).

Final meeting.

365.–(1) Where it appears to the trustee that the administration of the bankrupt's estate in accordance with this Act is for practical purposes complete and the trustee is not the Official Receiver, the trustee shall call a final general meeting of the bankrupt's creditors to receive the trustee's report of his administration of the bankrupt's estate.

(2) The trustee may, if he thinks fit, call the final general meeting at the same time as giving notice under section 337 but, if called for an earlier date, the meeting shall be adjourned (and, if necessary, further adjourned) until a date on which the trustee is able to report to the meeting that the administration of the bankrupt's estate is for practical purposes complete.

(3) In the administration of the estate it is the trustee's duty to retain sufficient sums from the estate to cover the expenses of summoning and holding the meeting required by this section.

Contracts to which bankrupt is a party.

366.–(1) Where a contract has been made with a person who subsequently becomes bankrupt, the High Court may, on the application of any other party to the contract, make an order discharging obligations under the contract on such terms as to payment by the applicant or the bankrupt of damages for non-performance or otherwise as appear to the High Court to be equitable.

(2) Any damages payable by the bankrupt by virtue of an order of the High Court under this section are provable as a bankruptcy debt.

(3) Where an undischarged bankrupt is a contractor in respect of any contract jointly with any person, that person may sue or be sued in respect of the contract without the joinder of the bankrupt.

Enforcements procedures.

367.–(1) Subject to section 304 and to this section, where the creditor of a bankrupt has, before the commencement of that bankruptcy–

(a) issued execution against the goods or land of the bankrupt; or

(b) attached a debt due to the bankrupt from another person, the creditor is not entitled, as against the bankruptcy trustee, to retain the benefit of the execution or attachment, or any sums paid to avoid it, unless the execution or attachment was completed, or the sums were paid, before the commencement of the bankruptcy.

(2) Where any goods of a person have been taken in execution, then, if before the completion of the execution notice is given to the officer charged with the execution that a bankruptcy order has been made against that person–

(a) that officer shall on request deliver the goods and any money seized or recovered in part satisfaction of the execution to the trustee; but

(b) the costs of the execution are a first charge on the goods or money so delivered and the trustee may sell the goods or a sufficient part of them for the purpose of satisfying the charge.

(3) Subject to sub-section (6) below, where–

(a) under an execution in respect of a judgment for a sum exceeding such sum as may be prescribed for the purposes of this sub-section, the goods of any person are sold, or money is paid in order to avoid a sale; and

(b) before the end of the period of 14 days beginning with the day of the sale or payment

the officer charged with the execution is given notice that a bankruptcy application has been filed in relation to that person; and

(c) a bankruptcy order is or has been made on that application, he balance of the proceeds of sale or money paid, after deducting the costs of execution, shall (in priority to the claim of the execution creditor) be comprised in the bankrupt's estate.

(4) Accordingly, in the case of an execution in respect of a judgment for a sum exceeding the sum prescribed for the purposes of sub-section (3), the officer charged with the execution shall–

(a) not dispose of the balance mentioned in sub-section (3) at any time within the period of 14 days so mentioned or while there is pending an application for a bankruptcy order of which he has been given notice under that sub-section; and

(b) pay that balance, whereby virtue of that sub-section it is comprised in the bankrupt's estate, to the trustee.

(5) For the purposes of this section–

(a) an execution against goods is completed by seizure and sale;

(b) an execution against land is completed by seizure or by the appointment of a receiver;

(c) an attachment of a debt is completed by the receipt of the debt.

(6) The rights conferred by sub-sections (1) to (3) on the trustee may, to such extent and on such terms as it thinks

fit, be set aside by the High Court in favour of the creditor who has issued the execution or attached the debt.

(7) Nothing in this section entitles the trustee to claim goods from a person who has acquired them in good faith under a sale by an officer charged with an execution.

(8) Neither sub-section (2) nor sub-section (3) applies in relation to any execution against assets which have been acquired by or have devolved upon the bankrupt since the commencement of the bankruptcy unless, at the time the execution is issued or before it is completed–

(a) the assets have been or are claimed for the bankrupt's estate under section 334; and

(b) a copy of the notice given under that section has been or is served on the officer charged with the execution.

Distress, etc.

368.–(1) The right of any landlord or other person to whom rent is payable to distrain upon the goods and effects of an undischarged bankrupt for rent due to him from the bankrupt is available, subject to sub-section (5), against goods and effects comprised in the bankrupt's estate, but only for 6 months' rent accrued due before the commencement of the bankruptcy.

(2) Where a landlord or other person to whom rent is payable has distrained for rent upon the goods and effects of an individual to whom a bankruptcy application relates, and a bankruptcy order is subsequently made on that application, any amount recovered by way of that distress which–

(a) is in excess of the amount which by virtue of sub-section (1) would have been recoverable after the commencement of the bankruptcy; or

(b) is in respect of rent for a period or part of a period after the distress was levied,

shall be held for the bankrupt as part of his estate.

(3) Where any person (whether or not a landlord or person entitled to rent) has distrained upon the goods or effects of an individual against whom a bankruptcy order is made before the end of the period of 3 months beginning with the distraint, so much of those goods or effects, or the proceeds of their sale, as is not held for the bankrupt under sub-section (2) shall be charged for the benefit of the bankrupt's estate with the preferential debts of the bankrupt to the extent that the bankrupt's estate is for the time being insufficient for meeting those debts.

(4) Where by virtue of any charge under sub-section (3) any person surrenders any goods or effects to the trustee of a bankrupt's estate or makes a payment to such a trustee, that person ranks, in respect of the amount of the proceeds of the sale of those goods or effects by the trustee or, as the case may be, the amount of payment, as a preferential creditor of the bankrupt, except as against so much of the bankrupt's estate as is available for the payment of preferential creditors by virtue of the surrender of payment.

(5) A landlord or other person to whom rent is payable is not at any time after the discharge of a bankrupt entitled to distrain upon any goods or effects comprised in the bankrupt's estate.

(6) Nothing in this Part affects any right to distrain otherwise than for rent, and any such right is at any time exercisable without restriction against assets comprised in a bankrupt's estate, even if that right is expressed by any enactment to be exercisable in like manner as a right to distrain for rent.

(7) Any right to distrain against assets comprised in a bankrupt's estate is exercisable notwithstanding that the assets have vested in the trustee.

(8) The provisions of this section are without prejudice to a landlord's right in a bankruptcy to claim for any bankruptcy debt in respect of rent.

Unenforceability of liens on books, etc.

369.–(1) A lien or other right to retain possession of any of the books, papers or other records of a bankrupt is unenforceable to the extent that such enforcement would deny possession of any books, papers or other records to the Official Receiver or the trustee of the bankrupt's estate.

(2) Sub-section (1) does not apply to a lien on documents which give a title to assets and are held as such.

General control of High Court.

370.–(1) Every bankruptcy is under the general control of the High Court and, subject to anything to the contrary in this Act, the High Court has full power to decide all questions of priorities and all other questions, whether of law or fact, arising in any bankruptcy.

(2) Without limiting this Part, an undischarged bankrupt or a discharged bankrupt whose estate is still being administered shall do all such things as he may be directed to do by the High Court for the purposes of his bankruptcy or, as the case may be, the administration of that estate.

(3) The Official Receiver or the trustee of a bankrupt's estate may at any time apply to the High Court for a direction under sub-section (2).

(4) A person who without reasonable excuse fails to comply with any obligation imposed on him by sub-section (2) commits an offence.

Power of arrest.

371.–(1) In the cases specified in sub-section (2) the High Court may cause a warrant to be issued to a police officer or a prescribed officer of the High Court–

(a) for the arrest of a debtor to whom an application for a bankruptcy order relates or of an undischarged bankrupt, or of a discharged bankrupt whose estate is still being administered; and

(b) for the seizure of any documents, money or goods in possession of a person arrested under the warrant, and may authorize a person arrested under such a warrant to be kept in custody, and anything seized under such a warrant to be held, in accordance with the Regulations, until such time as the High Court may order.

(2) The powers conferred by sub-section (1) are exercisable in relation to a debtor or undischarged or discharged bankrupt if, at any time after the filing of the application for a bankruptcy order or the making of the bankruptcy order against him, it appears to the High Court–

(a) that there are reasonable grounds for believing that he has absconded, or is about to abscond, with a view to avoiding or delaying the payment of any of his debts or his appearance to an application for a bankruptcy order or to avoiding, delaying or disrupting any proceedings in bankruptcy against him or any examination of his affairs;

(b) that he is about to remove his goods with a view to preventing or delaying possession being taken of them by the trustee;

(c) that there are reasonable grounds for believing that he has concealed or destroyed, or is about to conceal or destroy, any of his assets or any documents which might be of use to his

creditors in the course of his bankruptcy or in connection with the administration of his estate;

(d) that he has, without the leave of his trustee, removed any assets in his possession which exceed in value such sum as may be prescribed for the purpose of this paragraph; or

(e) that he has failed, without reasonable excuse, to attend any examination ordered by the High Court.

Seizure of bankrupt's assets.

372.–(1) At any time after a bankruptcy order has been made, the High Court may, on the application of the Official Receiver or the trustee of the bankrupt's estate, issue a warrant authorising the person to whom it is directed to seize any assets comprised in the bankrupt's estate which is, or any documents or records relating to the bankrupt's estate or affairs which are, in the possession or under the control of the bankrupt or any other person who is required to deliver the assets, books, papers or records to the Official Receiver or trustee.

(2) Any person executing a warrant under this section may, for the purpose of seizing any assets comprised in the bankrupt's estate or any documents relating to the bankrupt's estate or affairs, break open any premises where the bankrupt or anything that may be seized under the warrant is or is believed to be and any receptacle of the bankrupt which contains or is believed to contain anything that may be so seized.

(3) If, after a bankruptcy order has been made, the High Court is satisfied that any assets comprised in the bankrupt's estate or any documents relating to the bankrupt's estate or affairs are concealed in any premises not belonging to him, it may issue a warrant authorising any police officer or

prescribed officer of the High Court to search those premises for the assets or documents.

(4) A warrant under sub-section (3) shall not be executed except in the prescribed manner and in accordance with its terms.

Re-direction of bankrupt's letters, etc.

373.–(1) Where a bankruptcy order has been made, the High Court may from time to time, on the application of the trustee of the bankrupt's estate, order the Post Office to re-direct and send or deliver to the trustee or otherwise any mail which would otherwise be sent or delivered to the bankrupt at such place or places as may be specified by the order.

(2) An order under this section has effect for such period, not exceeding 3 months, as may be specified in the order.

Trustee may disclaim onerous property.

374.–(1) For the purposes of this section, "onerous property" means–

(a) an unprofitable contract; or

(b) an asset comprised in the bankrupt's estate which is unsaleable or not readily saleable, or which may give rise to a liability to pay money or perform an onerous act.

(2) Subject to sections 376 and 377(2), a trustee may, by filing a notice of disclaimer with the High Court, disclaim any onerous property comprised in the bankrupt's estate even though he has taken possession of it, tried to sell or assign it or otherwise exercised rights of ownership in relation to it.

(3) A trustee who disclaims onerous property shall, within 14 days of the date on which the disclaimer notice is

filed, give notice to every person whose rights are, to his knowledge, affected by the disclaimer.

(4) A trustee who contravenes sub-section (3) commits an offence.

When disclaimer takes effect.

375.–(1) Subject to sub-sections (2) and (4), a disclaimer takes effect on the date when the notice of disclaimer is filed at the High Court.

(2) The disclaimer of property of a leasehold nature does not take effect unless a copy of the disclaimer notice has been given, so far as the trustee is aware of their addresses, to every person claiming under the bankrupt as underlessee or mortgagee and either–

(a) no application for a vesting order is made under section 378 with respect to that property before the end of a period of 14 days beginning with the day on which the last notice under this sub-section was given; or

(b) where such an application is made, the High Court directs that the disclaimer is to take effect.

(3) Where the High Court gives a direction under sub-section (2)*(b)*, it may also, instead of or in addition to any order it makes under section 378, make such orders with respect to fixtures, tenant's improvements and other matters arising out of the lease as it considers fit.

(4) Without prejudice to sub-sections (1) to (3), the disclaimer of any property in a dwelling house does not take effect unless a copy of the disclaimer notice has been given, so far as the trustee is aware of their addresses, to every person in occupation of or claiming a right to occupy the dwelling house and either–

(a) no application under section 378 is made with respect to the property before the end of a period of 14 days beginning with the day on which the last notice under this sub-section was given; or

(b) where such an application is made, the High Court directs that the disclaimer is to take effect.

Notice to trustee to elect whether to disclaim.

376.–(1) A person interested in property or whose rights would be affected by the disclaimer of property may, by serving a notice to elect on the trustee, require him to elect whether or not to disclaim the property.

(2) Where a notice to elect is served on a trustee, he is not entitled to disclaim the property under section 374 unless he does so within 28 days of the date of service of the notice on him or within such extended period as the High Court may allow.

(3) The trustee is deemed to have adopted any contract which by virtue of this section he is not entitled to disclaim.

Effect of disclaimer.

377.–(1) Subject to sub-section (2), a disclaimer of onerous property under section 375–

(a) operates so as to determine, with effect from the date of the disclaimer, the rights, interests and liabilities of the bankrupt and his estate in or in respect of the property disclaimed; and

(b) discharges the trustee from all personal liability in respect of that property as from the date of his appointment, but, except so far as is necessary to release the bankrupt, the bankrupt's estate and the trustee from liability,

does not affect the rights or liabilities of any other person.

(2) A notice of disclaimer shall not be given under section 375 in respect of any property that has been claimed for the estate under section 334 or 335, except with the leave of the High Court.

(3) A person suffering loss or damage as a result of a disclaimer of onerous property under section 375 may claim in the bankruptcy of the bankrupt as a creditor for the amount of the loss or damage.

Vesting orders and orders for delivery.

378.–(1) Subject to section 379, if a trustee disclaims onerous property under section 374, the High Court may make an order under sub-section (2) on the application of–

(a) a person who claims an interest in the disclaimed property;

(b) a person who is under a liability in respect of the disclaimed property, that has not been discharged by the disclaimer; or

(c) where the disclaimed property is property in a dwelling house, any person who at the time when the bankruptcy order was made was in occupation of or entitled to occupy the dwelling house.

(2) On an application under sub-section (1), the High Court may, on such terms as it considers fit, order that the disclaimed property be vested in or delivered to–

(a) a person entitled to the property;

(b) a person under a liability in respect of the property that has not been discharged by the disclaimer;

(c) a trustee for a person referred to in paragraph *(a)* or *(b)*; or

(d) where the disclaimed property is property in a dwelling house, any person who at the time when the bankruptcy order was made was in occupation of or entitled to occupy the dwelling house.

(3) The High Court shall not make an order in respect of a person specified in sub-section (2)*(b)*, or in respect of a trustee of such a person, unless it appears to the High Court that it would be fair to do so for the purpose of compensating the person subject to the liability in respect of the disclaimer.

(4) The effect of any order under this section shall be taken into account in assessing the extent of the loss or damage suffered by a person for the purposes of section 377(3).

(5) Subject to sub-section (6), where a vesting order is made under this section vesting property in a person, the property vests immediately without any conveyance, transfer or assignment.

(6) Where another enactment–

(a) requires the transfer of property vested by an order under this section to be registered; and

(b) that enactment enables the order to be registered, on the making of a vesting order, the property vests in equity but does not vest at law until the registration requirements of the enactment have been complied with.

Vesting orders in respect of leases.

379.–(1) Where the High Court makes an order under section 378 vesting property of a leasehold nature in a person, the vesting order shall be made on terms that make that person subject–

(a) to the same liabilities and obligations as the bankrupt was subject to under the lease on the date that the bankruptcy order was made; or

(b) to the same liabilities and obligations as that person would have been subject to if the lease had been assigned to him on that date.

(2) Where the property vested by an order under section 378 relates to only part of the property comprised in a lease, sub-section (1) applies as if the lease comprised the property subject to the vesting order.

(3) Where no person is willing to accept a vesting order made subject to sub-section (1), the High Court, by order–

(a) may vest the property in any person who is liable, whether personally or in a representative capacity and whether alone or jointly with the bankrupt, to perform the lessee's covenants in the lease; and

(b) where a vesting order is made under paragraph *(a)*, may vest the property free from all estates, encumbrances and interests created by the bankrupt.

(4) Where a person declines to accept a vesting order made subject to sub-section (1), he is excluded from all interest in the property.

Land subject to rent charge.

380. Where land subject to a rent charge is disclaimed and that land vests by operation of law in any person, including the Crown, that person and his successors in title are not subject to any personal liability in respect of any sums becoming due under the rent charge except sums becoming due after

he, or some person claiming title under or through him, has taken possession or control of the land or has entered into occupation of it.

Disclaimer presumed valid.

381. Unless it is proved that a trustee has breached his duty to give notice under section 374(3) or that he has otherwise breached his duties under this Act or the Regulations with regard to disclaimer, a disclaimer of property by the trustee is presumed to be valid and effective.

Statement of assets and liabilities.

382.–(1) Where a bankruptcy order has been made against an individual otherwise than on his own application, the bankrupt shall submit a verified statement of his assets and liabilities to his trustee within 21 days of the date of the bankruptcy order.

(2) A statement of assets and liabilities shall contain–

(a) such particulars of the bankrupt's creditors and of his debts and other liabilities and of his assets as may be prescribed; and

(b) such other information as may be prescribed.

(3) A trustee or the High Court may, in accordance with the Regulations–

(a) release the bankrupt from his duty under sub-section (1); or

(b) extend the period of time specified in that sub-section.

(4) Where the trustee considers that it would prejudice the conduct of the bankruptcy for the whole or part of a statement of assets and liabilities submitted to him to be disclosed, he may apply to the High Court for an order of limited disclosure in respect of the statement, or any specified part of it.

(5) The High Court may, on an application under sub-section (4), order that the statement of assets and liabilities or, as the case may be, the specified part of it, is not filed in the High Court, or that it is filed separately and that it is not to be open to inspection otherwise than with the leave of the High Court.

(6) A bankrupt who–

(a) fails to submit a statement of his assets and liabilities in accordance with sub-section (1); or

(b) submits a statement of his assets and liabilities that does not comply with the prescribed requirements,

commits an offence.

Preliminary report.

383.–(1) The trustee of a bankrupt shall, within 60 days of the date of the bankruptcy order, prepare a preliminary report stating whether, in his opinion, further enquiry is desirable with respect to–

(a) whether the bankrupt has committed a bankruptcy offence;

(b) whether there are any claims under Part XIII;

(c) any matter relating to the conduct by the bankrupt of his business or affairs.

(2) The trustee shall send a copy of the report prepared under sub-section (1) to the Official Receiver.

(3) Sub-section (2) does not apply to the Official Receiver when he is acting as trustee.

(4) The High Court may, on the application of the trustee, extend the period specified in sub-section (1) on such terms and conditions as it considers fit.

Duty of Official Receiver concerning report under section 383.

384. Where the Official Receiver receives a report under section 383, he shall carry out such investigation, if any, as he considers appropriate.

Application for examination of bankrupt and others.

385.–(1) Where a bankruptcy order is made, an application may be made to the High Court, ex parte, by the trustee or by the Official Receiver at any time before the discharge of the bankrupt for an order that a person specified in sub-section (2) appears before the High Court to be examined concerning the affairs, dealings and assets of the bankrupt.

(2) An application under sub-section (1) may be made in respect of one or more of the following–

(a) the bankrupt;

(b) the bankrupt's spouse or former spouse;

(c) any person known or believed to be indebted to the bankrupt or to have in his possession any asset comprised in the bankrupt's estate; and

(d) any person appearing to the High Court to be able to give information concerning the bankrupt or the bankrupt's dealings, affairs, assets or liabilities.

(3) The examination of a bankrupt may be held in public or in private but the examination of any other person shall be held in private.

(4) Unless the High Court otherwise orders, the trustee shall make an application under sub-section (1) in respect of

the bankrupt if notice requiring him to do so is given to him, in accordance with the Regulations, by not less than 50%, in value, of the creditors of the bankrupt.

Order for examination.

386.–(1) In this section, "examinee" means the person to be examined before the High Court.

(2) On hearing an application made under sub-section 385, the High Court may order the examinee to appear before the High Court to be examined.

(3) An order under sub-section (2)–

(a) shall direct the examinee to appear before the High Court to be examined at a venue specified in the order;

(b) where the examinee is the bankrupt, shall state whether the examination is to be a public or a private examination;

(c) may require the person concerned to produce at the examination any books, records or other documents in his possession or control that relate to the bankrupt or his dealings, affairs, liabilities or assets;

(d) may provide for an alternative method of service of the order on the examinee;

(e) shall state the action that may be taken against a person if he does not appear before the High Court as required by the order; and

(f) where the examination is to be a public examination, may require the examination to be advertised, specifying the method of such advertisement.

(4) Where the High Court makes an order under sub-section (2), the applicant shall, forthwith serve a sealed copy of the order on the examinee and, where the trustee is not the Official Receiver–

(a) if the applicant is the trustee, send a sealed copy of the order to the Official Receiver; or

(b) if the applicant is the Official Receiver, send a sealed copy of the order to the trustee.

(5) Where an order under sub-section (2) is for the public examination of the bankrupt, the applicant shall give not less than 14 days notice of the examination to each creditor of the bankrupt.

(6) The High Court may as part of an order made under this section, or at any subsequent time, make one or more of the following directions–

(a) a direction specifying the matters upon which the examinee may be examined;

(b) a direction specifying the procedures to be followed at the examination; and

(c) in the case of an examinee referred to in section 385(2)*(b)*, *(c)* or *(d)* a direction that the examinee–

(i) file with the High Court an affidavit containing such matters as are specified by the High Court; or

(ii) produce at his examination any documents in his possession or under his control relating to the bankrupt's dealings, affairs, assets or liabilities.

Conduct of examination.

387.–(1) This section applies to an examination held pursuant to an order made under section 386.

(2) An examinee shall be examined on oath, either orally or by interrogatories, and he shall answer such questions as the High Court may put, or allow to be put to him.

(3) Subject to sub-sections (4) and (5), an examination is conducted by the applicant, or by his legal practitioner, and the person examined is entitled to be represented by a legal practitioner who may put such questions to the examinee as the High Court may allow for the purpose of explaining or qualifying answers given by him.

(4) The examinee may also be examined–

(a) if the applicant is the Official Receiver, by the trustee; or

(b) if the applicant is the trustee, by the Official Receiver.

(5) At a public examination of the bankrupt, questions may, with the leave of the High Court, be put to the examinee by any creditor present at the examination or by the legal practitioner representing such a creditor.

(6) An examination shall be recorded in writing and the examinee shall sign the record.

(7) Subject to section 388, the written record of an examination is admissible in evidence in any proceedings under this Act.

Examinee to answer questions.

388.–(1) An examinee is not excused from answering a question put to him at an examination held pursuant to an order made under section 386 on the ground that the answer may incriminate him or tend to incriminate him.

(2) Notwithstanding sub-section (1), the record of an examination held pursuant to an order made under section 386 is not admissible as evidence in any criminal proceedings against the examinee except where he is charged with the offence of perjury.

Examinee failing to appear for examination.

389.–(1) Where a person without reasonable excuse fails to attend an examination ordered to be held under section 386, or there are reasonable grounds for believing that the examinee has absconded, or is about to abscond, with a view to avoiding or delaying his examination, the High Court may issue a warrant to a police officer or a prescribed officer of the High Court–

(a) for the arrest of that person; and

(b) for the seizure of any books, papers, records, money or goods in that person's possession.

(2) The High Court may authorise a person arrested under a warrant issued under sub-section (1) to be kept in custody, and anything seized under such a warrant to be held, in accordance with the Regulations, until that person is brought before the High Court under the warrant or until such other time as the High Court may order.

(3) A person who fails to attend an examination ordered to be held under section 386 commits an offence.

High Court's enforcement powers.

390.–(1) If it appears to the High Court, on consideration of any evidence obtained under section 387, 389 or this section, that any person has in his possession any assets comprised in the bankrupt's estate, the High Court may, on the application of the trustee, order that person to deliver the assets or any of them to the trustee at such time, in such manner and on such terms as the High Court considers fit.

(2) If it appears to the High Court, on consideration of any evidence obtained under section 387, 389 or this section,

that any person is indebted to the bankrupt, the High Court may, on the application of the trustee, order that person to pay the trustee, at such time and in such manner as the High Court may direct, the whole or part of the amount due, whether in full discharge of the debt or otherwise as the High Court thinks fit.

(3) The High Court may order that any person who, if within the jurisdiction of the High Court, would be liable to be examined pursuant to an order made under section 386 shall be examined in Belize or any place outside Belize.

Bankrupt ineligible for automatic discharge.

391.–(1) For the purposes of section 392, a bankrupt is ineligible for automatic discharge if–

(a) he has been an undischarged bankrupt at any time in the 10 years prior to the date of the bankruptcy order; or

(b) he has been convicted of a bankruptcy offence.

(2) Where a previous bankruptcy order made against a person has been annulled under section 398, the period during which that person was an undischarged bankrupt by virtue of that bankruptcy order shall be ignored for the purposes of sub-section (1)*(a)*.

Automatic discharge.

392.–(1) Subject to sub-section (2), a bankrupt is discharged from bankruptcy at the end of the period of 3 years commencing on the date of the bankruptcy order unless–

(a) he is ineligible for automatic discharge by virtue of section 391; or

(b) he has previously been discharged under section 395(1)*(b)* or *(c)*.

(2) On the application of a person specified in sub-section (3), the High Court may, on the grounds specified in sub-section (4)–

(a) extend the period referred to in sub-section (1);

(b) order that the period will cease to run until the fulfilment of such conditions as it may specify; or

(c) order that the bankrupt is not entitled to automatic discharge.

(3) An application under sub-section (2) may be made on the application of the Official Receiver or the trustee of the bankrupt.

(4) The High Court may–

(a) make an order under sub-section (2) *(a)* or *(b)* if it is satisfied that the bankrupt has failed or is failing to comply with any of his obligations under this Act or the Regulations; or

(b) make an order under sub-section (2) *(c)* on any of the grounds upon which it could refuse to discharge the bankrupt under section 395.

(5) An application under sub-section (2)–

(a) shall be made before the bankrupt has been discharged under sub-section (1); and

(b) when made, operates to suspend the period referred to in sub-section (1) until after the determination of the application by the High Court.

(6) The High Court may not, by an order made under section 509(1), permit an application to be made under sub-section (2) after the discharge of a bankrupt under sub-section (1).

Application by bankrupt concerning order for suspension of discharge.

393.–(1) Where the High Court has made an order under section 392(2)*(b)* that the period for automatic discharge will cease to run, the bankrupt may apply to the High Court for the order to be varied or discharged.

(2) On an application made under sub-section (1), the High Court may vary or discharge its order.

Application for discharge by High Court order.

394.–(1) A bankrupt may apply to the High Court for his discharge–

(a) where he is ineligible for automatic discharge or where the High Court has made an order under section 392(2)*(c)* that he is not entitled to automatic discharge, at any time after 3 years from the date of the bankruptcy order; or

(b) in any other case, at any time after 6 months from the date of the bankruptcy order.

(2) An application under sub-section (1) shall be served on–

(a) the Official Receiver; and

(b) his trustee, if not the Official Receiver, not less than 42 days before the date fixed for the hearing.

High Court order on application for discharge.

395.–(1) Subject to sub-section (3), on an application under section 394, the High Court may–

(a) refuse the application;

(b) make an order discharging the bankrupt absolutely; or

(c) make an order discharging the bankrupt subject to such conditions as it considers fit, including conditions with respect to–

(i) any income which may subsequently become due to him; or

(ii) any assets that may devolve on him or be acquired by him after his discharge.

(2) An order under sub-section (1) may be made with immediate effect or may be made effective after such period or until the fulfilment of such conditions as may be specified in the order.

(3) Where an application is made under section 394 more than 8 years after the date of the bankruptcy order, the High Court shall not refuse the application unless it is satisfied that there are exceptional reasons for not granting the bankrupt his discharge.

(4) Subject to sub-section (3), the High Court may refuse to grant a bankrupt his discharge if–

(a) the bankrupt has failed or is failing to comply with his obligations under this Act or the Regulations;

(b) the bankrupt has, after the date of the bankruptcy order, engaged in a prohibited activity within the meaning of section 252(3);

(c) the bankrupt has been convicted of a bankruptcy offence;

(d) the bankrupt has failed, whether intentionally or not, to disclose to his trustee particulars of–

(i) any of his assets;

(ii) any liability existing at the date of the bankruptcy order; or

(iii) any income or expected income;

(e) where the bankrupt has been engaged in any business for any of the period of 3 years prior to the date of the bankruptcy order, or the bankrupt has–

(i) failed to keep such books and accounts as would sufficiently disclose his business transactions and financial position whilst engaged in his business; or

(ii) having kept the books and accounts referred to in sub-paragraph *(i)*, he has failed to preserve them;

(f) the bankrupt continued to trade after knowing, or having reason to believe himself to be unable to pay his debts as they fell due;

(g) the bankrupt contracted any liability that is claimable in his bankruptcy without having at the time of contracting it any reasonable expectation that he would be able to discharge it;

(h) that the bankrupt, either before or after the bankruptcy order, has committed any fraud or breach of trust;

(i) that the bankrupt has entered into a voidable transaction within the meaning of section 416; or

(j) for any other reason it considers it appropriate to do so.

Effect of discharge.

396.–(1) Subject to this section, where a bankrupt is discharged, the discharge releases him from all debts claimable in the bankruptcy, but has no effect–

(a) on the functions, so far as they remain to be carried out, of the trustee; or

(b) on the operation, for the purposes of the carrying out of those functions, of the provisions of this Act.

(2) The discharge of a bankrupt does not affect the right–

(a) of any creditor of the bankrupt to claim in the bankruptcy for any debt from which the bankrupt is released; or

(b) of any secured creditor of the bankrupt to enforce his security interest for the payment of a debt from which the bankrupt is released.

(3) The discharge of a bankrupt does not release the bankrupt from–

(a) a liability incurred by means of a fraud or fraudulent breach of trust to which the bankrupt was a party or a liability of which he has obtained forbearance by fraud;

(b) a liability under a recognizance; or

(c) a liability in respect of a fine imposed for an offence.

(4) Except to such extent and subject to such conditions as the High Court may otherwise order, the discharge of a bankrupt does not release the bankrupt from–

(a) a liability under a maintenance agreement or maintenance order or arrears payable under such an agreement or order;

(b) a liability to pay damages for negligence, nuisance or breach of a statutory, contractual or other duty, being damages in respect of personal injuries to any person; or

(c) such other liabilities, not being liabilities that may be claimed in the bankruptcy, as may be prescribed.

(5) The discharge of a bankrupt does not release any person other than the bankrupt from any liability, whether as partner or co-trustee of the bankrupt or otherwise, from which the bankrupt is released by the discharge, or from any liability as surety for the bankrupt or as a person in the nature of such a surety.

(6) In sub-section (4), "personal injuries" includes death and any disease or other impairment of a person's physical or mental condition.

Discharged bankrupt to give assistance.

397.–(1) A discharged bankrupt shall, even though discharged, give such assistance as his trustee reasonably requires in the realisation and distribution of such of his assets as are vested in his trustee.

(2) A discharged bankrupt who contravenes sub-section (1) commits an offence.

Annulment of bankruptcy order.

398.–(1) The High Court may annul a bankruptcy order if at any time it appears to the court–

(a) that, on any grounds existing at the time the order was made, the order ought not to have been made; or

(b) that, to the extent required by this Act and the Regulations, the claims made in the bankruptcy and the expenses of the bankruptcy have all, since the making of the order, been either paid or secured for to the satisfaction of the High Court.

(2) The High Court may annul a bankruptcy order whether or not the bankrupt has been discharged.

(3) Where the High Court annuls a bankruptcy order–

(a) any sale or other disposition of assets, payment made or other thing done, under any provision in this Part, by or under the authority of the trustee or by the High Court is valid; but

(b) if any of the bankrupt's estate is then vested, under any such provision, in such a trustee, it shall vest in such person as the High Court may appoint or, in default of any such appointment, revert to the bankrupt on such terms, if any, as the High Court may direct.

(4) The High Court may, in an order made under subsection (2), include such supplemental provisions as may be authorised by the Regulations.

(5) The trustee shall vacate office if the bankruptcy order is annulled.

Release of trustee.

399.–(1) Where the Official Receiver ceases to be the trustee of a bankrupt's estate and another person is appointed trustee in his place, the Official Receiver obtains his release–

(a) from the appointment of the new trustee; or

(b) such later date as the High Court may determine.

(2) If the Official Receiver, while he is the trustee, gives notice to the High Court that the administration of the bankrupt's estate in accordance with this Part is for practical purposes complete, he obtains his release with effect from such time as the High Court may determine.

(3) A person other than the Official Receiver who ceases to be trustee may apply to the High Court for his release and the High Court may grant the release unconditionally or subject to such conditions as it considers fit, or withhold it.

(4) If the High Court withholds the release, it may make an order against the former trustee under section 400.
(5) Where a bankruptcy order is annulled, the trustee at the time of the annulment has his release with effect from such time as the High Court may determine.

(6) Subject to sub-section (7), where a former trustee is released under this section, he is discharged from all liability in respect of any act or default of his in relation to the administration of the estate and otherwise in relation to his conduct as trustee.

(7) Sub-section (6) does not prevent the High Court from making an order under section 400 against a trustee who has been released under this section.
(8) A trustee, other than the Official Receiver, who obtains his release under this section shall file a notice in the prescribed form with the Official Receiver.

Liability of trustee.

400.–(1) Where on an application under this section the High Court is satisfied–

(a) that the trustee of a bankrupt's estate has misapplied or retained, or become accountable for, any money or other assets comprised in the bankrupt's estate; or

(b) that a bankrupt's estate has suffered any loss in consequence of any misfeasance or breach of fiduciary or other duty by a trustee of the estate in the carrying out of his functions,

the High Court may order the trustee, for the benefit of the estate, to repay, restore or account for money or other assets, together with interest at such rate as the High Court considers just, or, as the case may require, to pay such sum by way of compensation in respect of the misfeasance or breach of fiduciary or other duty as the High Court considers just.

(2) Subject to sub-section (3), an application under this section may be made by the Official Receiver, a creditor of the bankrupt or, whether or not there is, or is likely to be, a surplus for the purposes of section 364, the bankrupt himself.

(3) The leave of the High Court is required for the making of an application under this section if it is to be made by the bankrupt or if it is to be made after the trustee has had his release under section 399.

(4) Where–

(a) the trustee seizes or disposes of any asset which is not comprised in the bankrupt's estate; and

(b) at the time of the seizure or disposal the trustee believes, and has reasonable grounds for believing, that he is entitled, whether pursuant to an order of the High Court or otherwise, to seize or dispose of that asset, the trustee is not liable to any person, whether under this section or otherwise, in respect of any loss or damage resulting from the seizure or disposal except in so far as that

loss or damage is caused by negligence of the trustee and the trustee has a lien on the asset, or the proceeds of its sale, for such of the expenses of the bankruptcy as were incurred in connection with the seizure or disposal.

(5) Sub-section (1) does not prevent any person from instituting any other proceedings in relation to matters in respect of which an application can be made under that sub-section.

Stay of distribution in case of second bankruptcy.

401.–(1) This section and section 402 apply where a bankruptcy order is made against an undischarged bankrupt and in both sections–

(a) "earlier bankruptcy" means the bankruptcy, or the most recent bankruptcy, from which the bankrupt has not been discharged at the time when the later bankruptcy commences;

(b) "later bankruptcy" means the bankruptcy arising from the bankruptcy order made against an undischarged bankrupt; and

(c) "existing trustee" means the trustee, if any, of the bankrupt's estate for the purposes of the earlier bankruptcy.

(2) Where the existing trustee has been given notice of the application for the later bankruptcy, any distribution or other disposition by him of any asset to which sub-section (3) applies made after the giving of the notice is void except to the extent that it was made with the consent of the High Court or is or was subsequently ratified by the High Court.
(3) Sub-section (2) applies to–

(a) any asset which is vested in the existing trustee under section 334;

(b) any money paid to the existing trustee pursuant to an income payments order under section 338; and

(c) any asset or money which is, or in the hands of the existing trustee represents, the proceeds of sale or application of an asset or money falling within paragraphs *(a)* or *(b)*.

Adjustment between earlier and later bankruptcy estates.

402.–(1) With effect from the commencement of the later bankruptcy any asset to which section 401(3) applies which, immediately before the commencement of that bankruptcy, is comprised in the bankrupt's estate for the purposes of the earlier bankruptcy is to be treated as comprised in the bankrupt's estate for the purposes of the later bankruptcy.

(2) Any sum which in pursuance of an income payments order made under section 338 is payable after the commencement of the later bankruptcy to the existing trustee shall form part of the bankrupt's estate for the purposes of the later bankruptcy and the High Court may give such consequential directions for the modification of the order as it considers fit.

(3) Anything comprised in a bankrupt's estate by virtue of sub-sections (1) or (2) is so comprised subject to a first charge in favour of the existing trustee for his remuneration or any bankruptcy expenses incurred by him in relation thereto.

(4) Except as provided in this section and in section , any asset which is, or by virtue of section 335 is capable of being, comprised in the bankrupt's estate for the purposes of the earlier bankruptcy, or of any bankruptcy prior to it, is not comprised in his estate for the purposes of the later bankruptcy.

(5) The creditors of the bankrupt in the earlier bankruptcy and the creditors of the bankrupt in any bankruptcy

prior to the earlier bankruptcy, are not to be creditors of his in the later bankruptcy in respect of the same liabilities but the existing trustee may claim in the later bankruptcy for–

(a) the unsatisfied balance of the liabilities, including any liability under this sub-section, claimable against the bankrupt's estate in the earlier bankruptcy;

(b) any interest payable on that balance; and

(c) any unpaid expenses of the earlier bankruptcy.

(6) Any amount claimable under sub-section (5) ranks in priority after all the other claims admitted in the later bankruptcy and after interest on those claims and, accordingly, shall not be paid unless those claims and that interest have first been paid in full.

PART XIV

Bankruptcy Offences

403. In this Part– **Interpretation of this Part.**

(a) references to assets comprised in the bankrupt's estate or to assets possession of which is required to be delivered up to the trustee include any assets specified in section 329;

(b) "initial period" means the period between the filing of the application for the bankruptcy order and the commencement of the bankruptcy; and

(c) a reference to a number of months or years before the application is to that period ending

with the filing of the application for the bankruptcy order.

Defence of innocent intention.

404.–(1) Subject to sub-section (2), the bankrupt does not commit a bankruptcy offence if he proves that, at the time of the conduct constituting the offence, he had no intent to defraud or to conceal the state of his affairs.

(2) Sub-section (1) does not apply to sections 406(1) *(e)*, 408*(b)*, 408*(c)*, 408*(d)*, 408*(e)*, 412(1), 413 and 414.

Non-disclosure.

405.–(1) The bankrupt commits an offence if–

(a) he does not to the best of his knowledge and belief disclose all the assets comprised in his estate to the trustee; or

(b) he does not inform the trustee of any disposal of any assets which, but for the disposal, would be so comprised, stating how, when, to whom and for what consideration the asset was disposed of.

(2) Sub-section (1)*(b)* does not apply to any disposal in the ordinary course of a business carried on by the bankrupt or to any payment of the ordinary expenses of the bankrupt or his family.

Concealment of assets.

406. The bankrupt commits an offence if–

(a) he does not deliver up possession to the trustee, or as the trustee may direct, those assets comprised in his estate as are in his possession or under his control of which he is required by law so to deliver up;

(b) he conceals any debt due to or from him or conceals any asset, the value of which is not less than the prescribed amount and possession

of which he is required to deliver up to the trustee;

(c) in the 12 months before the application, or in the initial period, he did anything which would have been an offence under paragraph *(b)* if the bankruptcy order had been made immediately before he did it;

(d) he removes, or in the initial period removed, any asset the value of which was not less than the prescribed amount and possession of which he is or would have been required to deliver up to the trustee; or

(e) he without reasonable excuse fails, on being required to do so by the Official Receiver or the High Court–

(i) to account for the loss of any substantial part of his assets incurred in the 12 months before the application or in the initial period; or

(ii) to give a satisfactory explanation of the manner in which such a loss was incurred.

Concealment and falsification of books and papers.

407. The bankrupt commits an offence if–

(a) he does not deliver up possession to the trustee, or as the trustee may direct, of all documents in his possession or control which relate to his estate or his affairs;

(b) he prevents, or in the initial period prevented, the production of any documents relating to his estate or affairs;

(c) he conceals, destroys, mutilates or falsifies, or causes or permits the concealment, destruction, mutilation or falsification of, any documents relating to his estate or affairs;

(d) he makes, or causes or permits the making of, any false entries in any documents relating to his estate or affairs;

(e) he disposes of, or alters or makes any omission in or causes or permits the disposal, altering or making of any omission in, any document relating to his estate or affairs; or

(f) in the 12 months before the application, or in the initial period, he did anything which would have been an offence under paragraph *(c)*, *(d)* or *(e)* if the bankruptcy order had been made before he did it.

False statements.

408. The bankrupt commits an offence if–

(a) he makes any false statement or any material omission in any statement made under this Act relating to his affairs;

(b) knowing or believing that a false claim has been made by any person under the bankruptcy, he fails to inform the trustee as soon as practicable;

(c) he attempts to account for any part of his assets by fictitious losses or expenses;

(d) at any meeting of his creditors in the 12 months before the application or, whether or not at such a meeting, at any time in the initial period, he did anything which would

have been an offence under paragraph *(c)* if the bankruptcy order had been made before he did it; or

(e) he is, or at any time has been, guilty of any false representation or other fraud for the purposes of obtaining the consent of his creditors, or any of them, to an agreement with reference to his affairs or to his bankruptcy.

Fraudulent disposal of assets.

409.–(1) The bankrupt commits an offence if–

(a) he makes or causes to be made, or has during the period of 5 years prior to the date of the bankruptcy order made or caused to be made, any gift or transfer of, or any charge on, his assets; or

(b) he conceals or removes, or has at any time before the commencement of the bankruptcy, concealed or removed, any of his assets after, or within 60 days before, the date on which a judgement or order for the payment of money has been obtained against him, being a judgement or order, which was not satisfied before the commencement of the bankruptcy.

(2) The reference in sub-section (1) to making a transfer of or a charge on any asset includes causing or conniving at the levying of any execution against that asset.

Absconding.

410. The bankrupt commits an offence if–

(a) he leaves, or attempts or makes preparations to leave Belize with any assets the value of which is not less than the prescribed amount and possession of which he is required to deliver up to the Official Receiver or the trustee; or

(b) in the 6 months before the application, or in the initial period, he did anything which would have been an offence under paragraph *(a)* if the bankruptcy order had been made immediately before he did it.

Fraudulent dealing with asset obtained on credit.

411.–(1) The bankrupt commits an offence if, in the 12 months before the application, or in the initial period, he disposed of any asset which he had obtained on credit and, at the time he disposed of it, had not paid for.

(2) A person commits an offence if, in the 12 months before the application, or in the initial period, he acquired or received an asset from the bankrupt knowing or believing–

(a) that the bankrupt owed money in respect of the asset; and

(b) that the bankrupt did not intend, or was unlikely to be able, to pay the money so owed.

(3) A person does not commit an offence under sub-section (1) or (2) if the disposal, acquisition or receipt of the asset was in the ordinary course of a business carried on by the bankrupt at the time of the disposal, acquisition or receipt.

(4) In determining for the purposes of this section whether any asset is disposed of, acquired or received in the ordinary course of a business carried on by the bankrupt, regard may be had, in particular, to the price paid for the asset.

(5) In this section, references to disposing of an asset include pawning or pledging it and references to acquiring or receiving an asset shall be read accordingly.

Obtaining credit: engaging in business.

412.–(1) The bankrupt commits an offence if–

(a) either alone or jointly with any other person, he obtains credit to the extent of the prescribed amount or more without informing the person from whom he obtains credit that he is an undischarged bankrupt;

(b) he engages, whether directly or indirectly, in any business under a name other than that in which he was made bankrupt without disclosing to all persons with whom he enters into any business transaction the name under which he was made bankrupt.

(2) The reference to the bankrupt obtaining credit includes the following cases–

(a) where goods are billed to him under a hire-purchase agreement, or agreed to be sold to him under a conditional sale agreement; and

(b) where he is paid in advance, whether in money or otherwise, for the supply of goods and services.

Failure to keep proper accounts of business.

413.–(1) Where the bankrupt has been engaged in any business for any of the period of 2 years before the application, he e commits an offence if he–

(a) has not kept proper accounting records throughout that period and throughout any part of the initial period in which he was so engaged; or

(b) has not preserved all the accounting records which he has kept.

(2) The bankrupt does not commit an offence under sub-section (1)–

(a) if his unsecured liabilities at the commencement of the bankruptcy did not exceed the prescribed amount; or

(b) if he proves that in the circumstances in which he carried on business the omission was honest and excusable.

(3) For the purpose of this section, a person is deemed not to have kept proper accounting records if he has not kept such records as are necessary to show or explain his transactions and financial position in his business, including

(a) records containing entries from day to day, in sufficient detail, of all cash paid and received;

(b) where the business involves dealing in goods, statements of annual stock-takings; and

(c) except in the case of goods sold by way of retail trade to the actual customer, records of all goods sold and purchased showing the buyers and sellers in sufficient detail to enable the goods and the buyers and sellers to be identified.

Gambling.

414.–(1) The bankrupt commits an offence if he has–

(a) in the 2 years before the application, materially contributed to, or increased the extent of, his insolvency by gambling or by rash and hazardous speculations; or

(b) in the initial period, lost any of his assets by gambling or by rash and hazardous speculations.

(2) In determining for the purposes of this section whether any speculations were rash and hazardous, the financial position of the bankrupt at the time when he entered into them shall be taken into consideration.

Supplementary provisions.

415.–(1) Proceedings for a bankruptcy offence may not be instituted after the annulment of the bankruptcy.

(2) Without limiting the liability of a bankrupt in respect of a subsequent bankruptcy, the bankrupt does not commit an offence under this Part in respect of anything done after his discharge but nothing in this Act prevents the institution of proceedings against a discharged bankrupt for an offence committed before his discharge.

(3) It is not a defence in proceedings for an offence under this Part that anything relied on, in whole or in part, as constituting that offence was done outside Belize.

PART XV

Voidable Transactions

Interpretation of this Part.

416.–(1) In this Part–

"debtor" means the individual against whom a bankruptcy order is made;

"insolvent bankruptcy" means a bankruptcy where the assets comprised in the bankrupt's estate are insufficient to pay his liabilities and the expenses of the bankruptcy;

"insolvency transaction" has the meaning specified in sub-section (2);

"onset of insolvency" means the date on which the application for a bankruptcy order was filed;

"voidable transaction" means–

(a) an unfair preference;

(b) an undervalue transaction;

(c) a voidable general assignment of book debts; or

(d) an extortionate credit transaction; and

"vulnerability period" means–

(a) for the purposes of sections 417, 418 and 419–

(i) in the case of a transaction entered into with, or a preference given to, a connected person, the period commencing 2 years prior to the onset of insolvency and ending on the date of the bankruptcy order; and

(ii) in the case of a transaction entered into with, or a preference given to, any other person, the period commencing 6 months prior to the onset of insolvency and ending on the date of the bankruptcy order; and

(b) for the purposes of section 419, the period commencing 5 years prior to the onset of insolvency and ending on the date of the bankruptcy order.

(2) A transaction is an insolvency transaction if–

(a) it is entered into at a time when the debtor is insolvent; or

(b) it causes the debtor to become insolvent.

(3) For the purposes of sub-section (2), an individual is insolvent if he is unable to pay his debts as they fall due for payment.

(4) This Part applies in respect of an individual only if a bankruptcy order is made against him.

(5) This Part applies subject to Part XII on Netting.

Unfair preferences.

417.–(1) Subject to sub-section (2), a transaction entered into by an individual is an unfair preference given by the individual to a creditor if the transaction–

(a) is an insolvency transaction;

(b) is entered into within the vulnerability period; and

(c) has the effect of putting the creditor into a position which, in the event of the individual becoming a bankrupt, will be better than the position he would have been in if the transaction had not been entered into.

(2) A transaction is not an unfair preference if the transaction took place in the ordinary course of business.

(3) A transaction may be an unfair preference notwithstanding that it is entered into pursuant to the order of a court or tribunal in or outside Belize.

(4) Where a transaction entered into by an individual within the vulnerability period has the effect specified in sub-section (1) in respect of a creditor who is a connected person, unless the contrary is proved, it is presumed that the transaction was an insolvency transaction and that it did not take place in the ordinary course of business.

Undervalue transactions.

418.–(1) Subject to sub-section (2), an individual enters into an undervalue transaction with a person if–

(a) he makes a gift to that person or otherwise enters into a transaction with that person on terms that provide for him to receive no consideration; or

(b) he enters into a transaction with that person for a consideration, the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by him; and

(c) in either case, the transaction concerned—

(i) is an insolvency transaction; and

(ii) is entered into within the vulnerability period.

(2) An individual does not enter into an undervalue transaction with a person if–

(a) the individual enters into the transaction in good faith and for the purposes of his business; and

(b) at the time when he enters into the transaction, there were reasonable grounds for believing that the transaction would benefit him.

(3) A transaction may be an undervalue transaction notwithstanding that it is entered into pursuant to the order of a court or tribunal in or outside Belize.

Extortionate credit transactions.

419.–(1) A transaction entered into by an individual within the vulnerability period for, or involving the provision of,

credit to him is an extortionate credit transaction if, having regard to the risk accepted by the person providing the credit–

(a) the terms of the transaction are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of credit; or

(b) the transaction otherwise grossly contravenes ordinary principles of fair trading.

(2) Where an individual enters into a transaction with a connected person within the vulnerability period and the transaction falls within sub-section (1)*(a)* or sub-section (1) *(b)*, unless the contrary is proved, it is presumed that–

(a) the transaction was an insolvency transaction; and

(b) sub-section (2) did not apply to the transaction.

Voidable general assignment of book debts.

420.–(1) This section applies where an individual engaged in any business makes a general assignment to another of his existing or future book debts, or any class of them, and a bankruptcy order is subsequently made against him.

CAP. 246.

(2) The assignment is voidable as regards book debts which were not paid before the filing of the application for the bankruptcy order, unless the assignment has been registered under the Bills of Sale Act.

(3) For the purposes of sub-sections (1) and (2)–

(a) "assignment" includes an assignment by way of security or charge on book debts; and

(b) "general assignment" does not include–

(i) an assignment of book debts due at the date of the assignment from specified debtors or of debts becoming due under specified contracts; or

CAP. 246.

(ii) an assignment of book debts included either in a transfer of a business made in good faith and for value or in an assignment of assets for the benefit of creditors generally.

(4) For the purposes of registration under the Bills of Sale Act, an assignment of book debts is to be treated as if it were a bill of sale given otherwise by way of security for the payment of a sum of money; and the provisions of that Act with respect to the registration of bills of sale apply accordingly with such necessary modifications as may be made by Regulations under that Act.

Orders in respect of voidable transactions.

421.–(1) Subject to section 422, where it is satisfied that a transaction entered into by an individual is a voidable transaction, the High Court, on the application of the bankruptcy trustee of the individual–

(a) may make an order setting aside the transaction in whole or in part;

(b) in respect of an unfair preference or an undervalue transaction, may make such order as it considers fit for restoring the position to what it would have been if the bankrupt had not entered into that transaction; and

(c) in respect of an extortionate credit transaction, may by order provide for any one or more of the following–

(i) the variation of the terms of the transaction or the terms on which any

security interest for the purposes of the transaction is held;

(ii) the payment by any person who is or was a party to the transaction to the trustee of any sums paid by the bankrupt to that person by virtue of the transaction;

(iii) the surrender by any person to the trustee of any asset held by him as security for the purposes of the transaction; and

(iv) the taking of accounts between any persons.

(2) Without prejudice to the generality of sub-section (1)*(b)*, an order under that paragraph may–

(a) require any asset transferred as part of the transaction to be vested in the trustee;

(b) require any asset to be vested in the trustee if it represents in any person's hands the application either of the proceeds of sale of an asset transferred or of money transferred, in either case as part of the transaction;

(c) release or discharge, in whole or in part, any security interest given by the bankrupt or the liability of the bankrupt under any contract;

(d) require any person to pay, in respect of benefits received by him from the bankrupt, such sums to the trustee as the High Court may direct;

(e) provide for any surety or guarantor whose obligations to any person were released or

discharged, in whole or in part, under the transaction, to be under such new or revived obligations to that person as the High Court considers appropriate;

(f) provide for security to be provided for the discharge of any obligation imposed by or arising under the order, for such an obligation to be charged on any asset and for the security interest or charge to have the same priority as a security interest or charge released or discharged, in whole or in part, under the transaction;

(g) provide for a person affected by an order made under sub-section (1) to claim in the bankruptcy of the bankrupt in such amount as the High Court considers fit; and

(h) require the bankrupt or trustee to make a payment or transfer an asset to any person affected by an order made under sub-section (1).

(3) Subject to section 422, in respect of an unfair preference or an undervalue transaction, an order under sub-section (1) may affect the assets of, or impose any obligation on, any person whether or not he is the person with whom the bankrupt entered into the transaction.

Limitations on orders under section 421.

422.–(1) This section applies to an order made under section 421(1) in respect of an unfair preference or an undervalue transaction.

(2) An order to which sub-section (1) applies shall not–

(a) prejudice any interest in an asset that was acquired in good faith and for value from a

person other than the bankrupt, or prejudice any interest deriving from such an interest; or

(b) require a person who received a benefit from the transaction in good faith and for value to pay a sum to the trustee, except where that person was a party to the transaction or, in respect of an unfair preference, the preference was given to that person when he was a creditor of the bankrupt.

(3) For the purposes of sub-section (2), where a person would, apart from the requirement for good faith, fall within the circumstances specified in paragraph *(a)* or *(b)*, it is presumed, unless the contrary is proved, that he acquired the interest or received the benefit in good faith.

(4) Sub-section (3) does not apply to a person–

(a) who, at the time of the transaction, had notice of–

(i) the fact that the transaction was an unfair preference or an undervalue transaction, as the case may be; or

(ii) the relevant proceedings as defined in sub-section (5); or

(b) who was, at the time of the transaction, a connected person.

(5) For the purposes of sub-section (4), a person has notice of the relevant proceedings if he had notice of the application on which the bankruptcy order was made.

Recoveries.

423. Any money paid to, asset recovered or other benefit received by the trustee as a result of an order made under section

421 is deemed to be an asset comprised in the bankrupt's estate that is available to pay his unsecured creditors.

Remedies not exclusive.

424. The provisions of this Part apply without prejudice to the availability of any other remedy.

PART XVI

Bankruptcy Restrictions Orders and Undertakings

Interpretation of this Part.

425. In this Part–

"restricted person" means a person–

(a) against whom a bankruptcy restrictions order or an interim order has effect; or

(b) in respect of whom a bankruptcy restrictions undertaking is in place; and

Act No. 11 of 2022.

"voluntary liquidator" means a voluntary liquidator within the meaning specified in the Belize Companies Act.

Bankruptcy restrictions orders and undertakings.

426.–(1) A bankruptcy restrictions order is an order that an individual shall not, for the period specified in the order, engage in a prohibited activity without the leave of the High Court.

(2) A bankruptcy restrictions undertaking is an undertaking in writing given by an individual to the Official Receiver that he will not, for the period specified in the undertaking, engage in a prohibited activity without the leave of the High Court.

(3) For the purpose of this Part, an individual engages in a prohibited activity if–

(a) that individual is a director of a company;

(b) that individual acts as the voluntary liquidator of a company;

(c) that individual acts as the receiver of the assets of a company;

(d) that individual acts as an insolvency practitioner;

(e) in any way, whether directly or indirectly, that individual is concerned with or takes part in the promotion, formation or management of a company; or

(f) that individual undertakes any activity prescribed as a prohibited activity.

Application for and hearing of application for bankruptcy restrictions order.

427.–(1) The Official Receiver may apply to the High Court for a bankruptcy restrictions order against a bankrupt.

(2) On an application under sub-section (1), the High Court may, make a bankruptcy restrictions order against a bankrupt where it considers it appropriate having regard to the conduct of the bankrupt, whether before or after the making of the bankruptcy order against him.

(3) Without limiting sub-section (3), the High Court shall in particular take into account–

(a) any behaviour of the bankrupt that constitutes a bankruptcy offence, whether or not the bankrupt has been convicted of the offence; and

(b) whether the bankrupt was an undischarged bankrupt at some time during the 6 years prior to the making of the bankruptcy order in respect of which the application is made.

Duration of bankruptcy restrictions order.

428.–(1) The High Court shall, on making a bankruptcy restrictions order, specify the period for which the order has effect.

(2) The period referred to in sub-section (1) shall commence on a date no earlier than the date of the order and no later than 28 days after the date of the order and shall not exceed 5 years.

Interim bankruptcy restrictions order.

429.–(1) In this section, "interim order" means an interim bankruptcy restrictions order.

(2) The Official Receiver may apply to the High Court for an interim order at any time between–

(a) the filing by him of an application for a bankruptcy restrictions order; and

(b) the determination of that application.

(3) The High Court may, on an application made under sub-section (1), make an interim order against a bankrupt if it considers–

(a) that there are prima facie grounds to suggest that the application for the bankruptcy restrictions order will be successful; and

(b) it is in the public interest to make an interim order.

(4) An interim order shall–

(a) take effect on the date that it is made; and

(b) have the same effect as a bankruptcy restrictions order.

(5) An interim order shall cease to have effect–

(a) on the determination of the application for the bankruptcy restrictions order;

(b) on the acceptance of a bankruptcy restrictions undertaking made by a bankrupt; or

(c) on the discharge of the interim order by the High Court on the application of the Official Receiver or the bankrupt.

Bankruptcy restrictions undertaking.

430.–(1) A bankrupt may offer the Official Receiver a bankruptcy restrictions undertaking, whether or not the Official Receiver has made an application against him for a bankruptcy restrictions order.

(2) The Official Receiver may accept an offer made to him under sub-section (1) if he considers that–

(a) there is a reasonable prospect that, on the hearing of an application under section 429, the High Court would make a bankruptcy restrictions order against the bankrupt offering the undertaking; and

(b) it is expedient and in the public interest to accept the offer.

(3) A bankruptcy restrictions undertaking shall specify a period, commencing on the date of the undertaking, for which the undertaking has effect.

(4) The period referred to in sub-section (3) shall not exceed 10 years.

Variation of disqualification order or undertaking.

431.–(1) The High Court may, on the application of the Official Receiver or a restricted person, vary a bankruptcy restrictions order or a bankruptcy restrictions undertaking.

(2) Without limiting sub-section (1), an order under that sub-section may–

(a) reduce the period for which the order, or undertaking, is in force; or

(b) provide for the order or undertaking to cease to be in force.

(3) An application made by a restricted person for an order under sub-section (1) shall be served on the Official Receiver no less than 14 days prior to the date of the hearing and the Official Receiver shall appear or be represented and is entitled to call or give evidence at the hearing.

Offence provisions.

432. A restricted person who engages in a prohibited activity commits an offence.

Official Receiver to appear on certain applications.

433. The Official Receiver shall appear and call the attention of the High Court to any matters which seem to him to be relevant, and may himself give evidence or call witnesses on the hearing of–

(a) an application by the Official Receiver for a bankruptcy restrictions order; or

(b) any other application made under this Part.

Register of disqualification orders.

434.–(1) The Official Receiver shall register in a Register of Bankruptcy Restrictions Orders and Undertakings to be maintained by him for the purpose–

(a) each bankruptcy restrictions order and interim bankruptcy restrictions order made or bankruptcy restrictions undertaking accepted under this Part; and

(b) each variation of a bankruptcy restrictions order, an interim bankruptcy restrictions

order or bankruptcy restrictions undertaking under this Part.

(2) When a bankruptcy restrictions order or undertaking ceases to be in force, the Official Receiver shall delete the entry from the Register.

(3) The Register of Bankruptcy Restrictions Orders and Undertakings shall be open to inspection on payment of such fee as may be prescribed.

(4) No person shall be construed as having knowledge that another person is a restricted person by virtue of an entry in the Register of Bankruptcy Restrictions Orders and Undertakings.

Annulment of bankruptcy order.

435.–(1) Where a bankruptcy order is annulled under section 398(1)*(a)*–

(a) any bankruptcy restrictions order, interim order or undertaking which is in force in respect of the bankrupt shall be annulled;

(b) no new bankruptcy restrictions order or interim order may be made in respect of the bankrupt; and

(c) no new bankruptcy restrictions undertaking by the bankrupt may be accepted.

(2) Where a bankruptcy order is annulled under section 398(1)*(b)*–

(a) the annulment shall not affect any bankruptcy restrictions order, interim order or undertaking which is in force in respect of the bankrupt;

(b) the High Court may make a bankruptcy restrictions order or an interim order in respect

of the bankrupt on an application instituted before the annulment;

(c) the Official Receiver may accept a bankruptcy restriction undertaking offered by the bankrupt before the annulment; and

(d) an application for a bankruptcy restrictions order may not be instituted after the annulment.

PART XVII

General Provisions with regard to Insolvency Proceedings under this Act

Sub-Part 1

The Creditors' Committee

Interpretation and scope of this Sub-Part.

436.–(1) In this Sub-Part, "office holder" means–

(a) in respect of a company, its administrator, its liquidator or its administrative receiver and in respect of a foreign company, its liquidator; and

(b) in respect of an individual, his bankruptcy trustee, and a reference to an office holder is to the office holder appointed in the insolvency proceeding in respect of which the creditors' committee is appointed.

(2) This Sub-Part applies to the establishment and operation of a creditors' committee under this Act where–

(a) a company is in administration or in liquidation or a foreign company is in liquidation;

(b) an administrative receiver has been appointed in respect of a company; or

(c) a bankruptcy order has been made against an individual.

(3) In this Sub-Part, where the context requires, "company" includes a foreign company.

Establishment of creditors' committee.

437.–(1) The creditors of a company in liquidation, administration or administrative receivership or of a bankrupt may, by resolution passed at a meeting, establish a creditors' committee–

(a) in the case of a company in administration, at any time after the approval of the administrator's proposals;

(b) in the case of a company in administrative receivership, at any time after the appointment of the administrative receiver;

(c) in the case of a company in liquidation, at any time after the appointment of the liquidator; and

(d) in the case of an individual, at any time after the bankruptcy order.

(2) A resolution to establish a creditors' committee shall also appoint the first members of the committee, each of whom shall be eligible to serve on the committee in accordance with section 439.

(3) A resolution to establish a creditors' committee in the administration, administrative receivership or liquidation of a company may only be passed–

(a) at a meeting called under section 99, 146 or 178; or

(b) at a meeting requisitioned for the purpose by at least 10% in value of the creditors of the company.

(4) A resolution to establish a creditors' committee in the bankruptcy of an individual may be passed at a meeting of the creditors called under section 349.

(5) Where an office holder is satisfied that a creditors' committee has been validly established, he shall, within 5 business days of the passing of the resolution, file a notice to that effect–

(a) in the case of an administrator, a liquidator appointed by the High Court or a bankruptcy trustee, with the High Court; or

(b) in the case of an administrative receiver or a liquidator not appointed by the High Court, with the Registrar.

(6) The notice required to be filed under sub-section (5) shall specify the names and addresses of the persons appointed to the creditors' committee.

(7) The creditors' committee cannot act until the relevant notice is filed by the office holder under sub-section (5).

(8) The appointment of a member of a creditors' committee may be in the form of the appointment of a designated representative of the member.

Functions and powers of creditors' committee.

438.–(1) The functions of a creditors' committee are–

(a) to consult with the office holder about matters relating to the insolvency proceeding;

(b) to receive and consider reports of the insolvency holder;

(c) to assist the office holder in discharging his functions; and

(d) to discharge any other functions assigned to it under this Act or the Regulations.

(2) A creditors' committee may–

(a) call a meeting of creditors;

(b) on giving the office holder reasonable notice, require him to provide the committee with such reports and information concerning the insolvency proceeding as the committee reasonably requires; and

(c) on giving the office holder not less than 5 business days' notice, require him to attend before the committee at any reasonable time to provide it with such information and explanations concerning the insolvency proceeding as it reasonably requires.

(3) Where the creditors' committee requires the attendance of the office holder at a meeting under sub-section (2)–

(a) the notice shall be signed in writing by a majority of the members of the committee; and

(b) the meeting shall be fixed for a business day and shall be held at such time and place as the committee may agree with the office holder.

(4) The designated representative of a committee member may sign a notice under sub-section (3)*(a)* on the member's behalf.

(5) Unless expressly permitted to do so by the Act or the Regulations, a creditors' committee cannot give directions to the office holder.

Composition of creditors' committee.

439.–(1) Subject to sub-section (2), a person is eligible to be a member, or the designated representative of a member, of a creditors' committee if he is an individual who has consented in writing to serve on the committee, and–

(a) in the case of a member–

(i) he is a creditor of the company or the bankrupt, as the case may be; or

(ii) he holds a general power of attorney granted by such a creditor; or

(b) in the case of a designated representative, he is authorised in writing by a person eligible to be a member to be his representative on the committee.

(2) A person is not eligible to be a member of the creditors' committee if his claim has been rejected for the purposes of his entitlement to vote or, in the case of a liquidation or bankruptcy, for distribution purposes, or if he is the legal practitioner or representative of such a creditor.

(3) A creditors committee shall consist of not less than 3 or more than 5 individuals who are eligible to be members of the committee.

Resignation and termination of committee member.

440.–(1) A member of a creditors' committee may resign by giving notice in writing to the office holder.

(2) The membership of a committee member is terminated if–

(a) he becomes bankrupt or compounds or arranges with his creditors;

(b) he is absent from 3 consecutive meetings of the committee without the leave of the other members;

(c) he ceases to be, or is found never to have been, a creditor; or

(d) in the case of the designated representative of a member, his designation as a designated representative is terminated by the member he represents.

(3) A member of the committee may be removed by a resolution of creditors of which he has been given at least 5 business days' notice, stating the object of that meeting.

(4) If a member of the creditors' committee becomes bankrupt, his bankruptcy trustee replaces him as a member of the committee.

Vacancies and appointment of new members.

441.–(1) Where there is a vacancy in the membership of the committee, the continuing members of the committee, if not less than 2 in number, may continue to act.

(2) The continuing members of the committee, or where their number has fallen below 2, the office holder, may appoint a person eligible under section 439 as a member of the committee to fill a vacancy.

(3) Where there is any change in the membership of the committee, the office holder shall, within 5 business days, file a notice specifying the members of the committee following the change–

(a) in the case of an administrator, a liquidator appointed by the High Court or a bankruptcy trustee, with the High Court; or

(b) in the case of an administrative receiver or a liquidator appointed by the company, with the Registrar.

(4) The notice required to be filed under sub-section (3) shall specify the names and addresses of the members of the creditors' committee.

Proceedings of creditors' committee.

442. The Regulations shall provide for the proceedings of a creditors' committee.

Expenses of members.

443.–(1) Subject to sub-section (2), the reasonable travelling expenses of members directly incurred in attending a meeting of the creditors' committee shall be paid by the office holder out of the assets of the company, or the bankrupt's estate, as an expense of the insolvency proceeding.

(2) Where the office holder is of the opinion that a meeting of the creditors' committee called by a member was unreasonably called, he may refuse to pay expenses under sub-section (1).

(3) Where the office holder refuses to pay reasonable travelling expenses under sub-section (2), the creditors may resolve that they should be paid and upon the creditors passing such a resolution, they shall be paid by the office holder out of the assets of the company, or the bankrupt's estate, as an expense of the insolvency proceeding.

Members dealing with company.

444.–(1) In the case of the administration or administrative receivership of a company, membership of the creditors' committee does not prevent a person from dealing with the company while the office holder is acting, provided that any transactions in the course of such dealings are entered into in good faith and for value.

(2) The High Court may, on the application of any person interested, set aside a transaction which appears to it to be contrary to the requirements of this section, and may give such consequential directions as it considers fit for compensating the company for any loss which it may have incurred in consequence of the transaction.

(3) The Regulations may specify procedures for dealing with potential or actual conflicts of interest of committee members.

Formal defects.

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

Sub-Part 2

Remuneration

Remuneration of administrator, liquidator or bankruptcy trustee.

446.–(1) The remuneration of an administrator, liquidator or bankruptcy trustee is fixed–

(a) by the creditors' committee, if any; or

(b) by the High Court on an application made under sub-section (2).

(2) An administrator, liquidator or bankruptcy trustee may apply to the High Court to fix his remuneration, or to fix an interim payment under section 449, if–

(a) no creditors' committee is appointed;

(b) the creditors' committee fails, for whatever reason, to fix his remuneration, or an interim payment; or

(c) he considers that the remuneration, or an interim payment, fixed by the creditors' committee–

(i) is insufficient;

(ii) is not in an appropriate currency; or

(iii) is on unacceptable terms.

(3) Not less than 14 days' notice of an application under sub-section (2) shall be given–

(a) in the case of an administrator, to the company in administration;

(b) in the case of a bankruptcy trustee, to the bankrupt; and

(c) in any other case–

(i) to each member of the creditors' committee; or

(ii) if there is no creditors' committee, to such creditors as the High Court may direct.

(4) The members of the creditors' committee or, if there is no creditors' committee, the creditors given notice of the hearing may appear and be heard at the hearing of an application made under sub-section (2).

(5) On the hearing of an application under sub-section (2), the High Court shall fix the remuneration of the administrator, liquidator or bankruptcy trustee at such amount as it considers appropriate.

(6) In this section, "liquidator" does not include a provisional liquidator.

Application by creditors for reduction of remuneration.

447.–(1) Where the creditors' committee has fixed the remuneration of an administrator, liquidator or bankruptcy trustee, a creditor may, with the concurrence of at least 25% in value of the creditors, including himself or herself, apply to the High Court for an order reducing the remuneration fixed on the grounds that it is excessive.

(2) On an application made under sub-section (1), the High Court may–

(a) if it considers that the applicant has not shown sufficient cause for a reduction, dismiss the application; or

(b) set a venue for the application to be heard.

(3) An application shall not be dismissed under sub-section (2)*(a)* unless the High Court has given the applicant the opportunity to attend the High Court for an *ex-parte* hearing, of which he has been given at least 7 days' notice.

(4) An applicant for an order under sub-section (1) shall give the administrator, liquidator or bankruptcy trustee not less than 14 days' notice of the date, time and place set by the High Court under sub-section (2).

(5) If it considers that the remuneration of the administrator, liquidator or bankruptcy trustee fixed by the creditors' committee is excessive, the High Court shall fix the remuneration to such amount as it considers appropriate.

General principles to be applied in fixing remuneration.

448.–(1) This section applies–

(a) to the fixing of the remuneration of an administrator, liquidator or bankruptcy trustee by a creditors committee under section 446;

(b) to the fixing of the remuneration of an administrator, liquidator or bankruptcy trustee by the High Court under section 446(5);

(c) to the fixing of the remuneration of a provisional liquidator by the High Court under section 171 and of a person appointed by the High Court under section 323;

(d) to the fixing of the remuneration of a receiver by the High Court under section 133(2) or section 133(3);

(e) to the fixing of the remuneration of a supervisor or interim supervisor by the High Court under section 17; and

(f) to the fixing of the remuneration of an administrator, liquidator or bankruptcy trustee by the High Court under section 447.

(2) In this section and section 28–

(a) "fixing remuneration" includes fixing the currency of payment;

(b) "insolvency proceeding" means the insolvency proceeding in respect of which an insolvency practitioner is appointed; and

(c) "insolvency practitioner" means administrator, liquidator, bankruptcy trustee, receiver, supervisor or interim supervisor, as the case may be.

(3) Subject to sub-section (4), the remuneration of an insolvency practitioner shall be fixed by reference to the time properly given by him and his staff in carrying out his duties in the insolvency proceeding.

(4) Where the insolvency practitioner so requests and the creditors' committee or the High Court considers that the circumstances justify it, the remuneration of an insolvency practitioner may be fixed in whole or in part as a percentage of the value of the assets realised and the value of the assets distributed, or as a percentage of either.

(5) When fixing the remuneration of an insolvency practitioner in the circumstances specified in sub-section (1) or sanctioning an interim payment under section 449(3), the creditors' committee or the High Court–

(a) shall take into account–

(i) the need for the remuneration to be fair and reasonable;

(ii) the time properly spent by the insolvency practitioner and his staff in carrying out his duties;

(iii) the complexity of the insolvency proceeding and whether the insolvency practitioner has been required to take any responsibility of an exceptional kind or degree;

(iv) the effectiveness with which the insolvency practitioner is carrying out, or has carried out, his duties;

(v) the value and nature of the assets with which the insolvency practitioner has had to deal;

(vi) the hourly rates charged by other insolvency practitioners, both within and outside Belize, in undertaking similar work; and

(vii) whether any expenses which he incurred were properly incurred; and

(b) may take into account–

(i) the commercial and personal risks accepted by the insolvency practitioner;

(ii) the time spent by the insolvency practitioner and his staff outside Belize and the amount of travelling required; and

(iii) the standards and practice used for assessing remuneration in jurisdictions other than Belize.

Time for fixing remuneration and interim payments.

449.–(1) The remuneration of an office holder shall be fixed by the creditors' committee or the High Court after the conclusion of the insolvency proceeding.

(2) In fixing the remuneration of an office holder, the creditors' committee or the High Court shall take account of any interim payment made under sub-section (3).

(3) Notwithstanding sub-section (1), a creditors' committee or the High Court may at any time set an interim payment to be made to the insolvency practitioner on account of his remuneration.

(4) An interim payment may be made under sub-section (3) subject to such conditions as the creditors' committee or the High Court considers appropriate.

PART XVIII

Cross-border Insolvency

Purpose and scope of this Part.

450.–(1) The purpose of this Part is to provide effective mechanisms for dealing with cases of cross-border insolvency so as to promote the objectives of–

(a) cooperation between–

(i) the High Court and insolvency administrators of Belize; and

(ii) the courts and other competent authorities of foreign countries involved in cases of cross-border insolvency;

(b) greater legal certainty for trade and investment;

(c) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors and other interested persons, including the debtor;

(d) protection and authorization of the value of the debtor's assets; and

(e) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

(2) This Part applies where–

(a) assistance is sought in Belize by a foreign court or a foreign representative in connection with a foreign proceeding;

(b) assistance is sought in a foreign country

in connection with a Belize insolvency proceeding;

(c) a foreign proceeding and a Belize insolvency proceeding in respect of the same debtor are taking place concurrently; or

(d) creditors or other interested persons in a designated foreign country have an interest in requesting the commencement of, or participating in, a Belize insolvency proceeding.

(3) This Part does not apply to a regulated entity who holds, or at any time has held, a prescribed financial services licence of a type designated by the Governor for the purposes of this section by notice published in the *Gazette*.

Interpretation of this Part.

451.–(1) In this Part–

"designated foreign country" means a country or territory designated for the purposes of this Part by notice published in the Gazette;

"establishment" means any place of operations where the debtor carries out a non-transitory economic activity with human means and goods or services;

"foreign ancillary proceeding" means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment defined under this sub-section;

"foreign court" means a judicial or other authority competent to control or supervise a foreign proceeding;

"foreign main proceeding" means a foreign proceeding taking place in the country where the debtor has the centre of his main interests;

"foreign proceeding" means a collective judicial or administrative proceeding in a designated foreign country, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the property and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganisation, liquidation or bankruptcy;

"foreign representative" means a person or body, including one appointed on an interim basis, authorised in a foreign proceeding to administer the reorganisation or the liquidation of the debtor's property or affairs or to act as a representative of the foreign proceeding;

"insolvency officer" means the Official Receiver, a liquidator, provisional liquidator, bankruptcy trustee, administrator, receiver, supervisor or interim supervisor; and

"Belize insolvency proceeding" means a collective judicial or administrative proceeding, including an interim proceeding, pursuant to this Act, or to any other enactment in Belize; relating–

(a) to the bankruptcy, liquidation, administration or receivership of a debtor; or

(b) to the authorizaion of a debtor's affairs, where, in all cases, the property of the debtor is or will be authorized for the benefit of secured or unsecured creditors.

(2) In the interpretation of this Part, the High Court shall have regard to the need to promote an application of this Part that is consistent with the application of similar laws adopted by foreign jurisdictions.

International obligations of Belize.

452. To the extent that this Part conflicts with an obligation of Belize arising out of any treaty or other form of agreement to which Belize is a party with one or more other countries, the requirements of the treaty or agreement prevail.

Public policy exception.

453. Nothing in this Part prevents the High Court from refusing to take an action governed by this Part if the action would be contrary to the public policy of Belize.

Additional assistance.

454. Subject to section 457, nothing in this Part limits the power of the High Court or an insolvency officer to provide additional assistance to a foreign representative where permitted under any other Part of this Act or under any other enactment or rule of law of Belize.

Application under this Part.

455. An application under this Part shall be made to the High Court in accordance with the Regulations.

Authorisation of insolvency officer to act in a foreign country.

456. The High Court may, on the application of an insolvency officer, authorise him to act in a foreign country on behalf of a Belize insolvency proceeding as permitted by the applicable foreign law.

Right of direct access.

457.–(1) A foreign representative is entitled to apply to the High Court under section 462 for recognition of the foreign proceeding in respect of which he is appointed.

(2) Subject to section 462, a foreign representative may not be granted comity or cooperation by the High Court unless the foreign proceeding in respect of which he is appointed has been granted recognition by the High Court.

(3) Upon recognition being granted to the foreign proceeding in respect of which a foreign representative is appointed, he may apply directly to the High Court for comity or cooperation or for any other relief under this Part.

Limited jurisdiction.

458. The sole fact that a foreign representative makes an application under section 462 does not subject the foreign representative to the jurisdiction of the High Court for any other purpose.

Commencement of and participation in a Belize insolvency proceeding by foreign representative.

459. A foreign representative, upon the recognition of the foreign proceeding in respect of which he is appointed, may–

(a) apply to commence a Belize insolvency proceeding if the conditions for commencing such a proceeding are otherwise met; and

(b) participate in a Belize insolvency proceeding regarding the debtor.

Access of foreign creditors to a Belize proceeding.

460.–(1) Subject to sub-section (2), foreign creditors have the same rights regarding the commencement of, and participation in a Belize insolvency proceeding as creditors in Belize.

(2) Sub-section (1) does not affect the priority of claims in a Belize insolvency proceeding or the exclusion of foreign penal, revenue and social security claims from such a proceeding.

Notification to foreign creditors of a Belize insolvency proceeding.

461.–(1) Whenever under a Belize insolvency proceeding notification is to be given to creditors in Belize, such notification shall also be given to the known creditors that do not have addresses in Belize.

(2) Where the address of any creditor is not known, the High Court may order that appropriate steps be taken with a view to notifying that creditor.

(3) Notification to creditors under sub-section (1) shall be made to the foreign creditors individually, unless the High Court considers that, under the circumstances, some other form of notification would be more appropriate,
Provided that no letters rogatory or other, similar formality is required.

(4) When notification of the commencement of a Belize insolvency proceeding is to be given to foreign creditors, the notification shall–

(a) indicate the time period for submitting claims and specify the place for their submission;

(b) indicate whether secured creditors need to submit their secured claims; and

(c) contain any other information required to be included in such a notification to creditors pursuant to the law of Belize and any order of the High Court.

(5) The Regulations and any order of the High Court as to notice or the submission of a claim time shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

Application for recognition of foreign proceeding.

462.–(1) A foreign representative may apply to the High Court for recognition of the foreign proceeding in which the foreign representative has been appointed.

(2) An application for recognition shall be accompanied by–

(a) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative; or

(b) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

(c) in the absence of evidence referred to in paragraphs *(a)* and *(b)*, any other evidence acceptable to the High Court of the existence of the foreign proceeding and of the appointment of the foreign representative.

(3) An application for recognition shall also be accompanied by a statement identifying all foreign proceedings in respect of the debtor that are known to the foreign representative.

(4) If the documents referred to in sub-section (2)*(a)* and *(b)* are not in English, they shall be accompanied by a certified translation of the documents into English.

(5) The High Court may require a certified translation of any other documents supplied in support of the application for recognition into English.

Presumptions concerning recognition.

463.–(1) If the decision or certificate referred to in section 462(2) indicates that the proceeding is a foreign proceeding as defined in section 451(1) and that the person or body is a foreign representative as defined in section 451(1), the High Court is entitled to so presume.

(2) The High Court is entitled to presume that documents submitted in support of the application for recognition are authentic, whether or not they have been legalised.

(3) In the absence of proof to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the centre of the debtor's main interests.

Recognition of foreign proceedings.

464.–(1) Subject to section 453, a foreign proceeding shall be recognised if–

(a) the proceeding is a foreign proceeding within the meaning of section 451(1);

(b) the person or body applying for recognition is a foreign representative within the meaning of section 451(1);

(c) the application meets the requirements of section 462(2); and

(d) the application has been made in accordance with this Part and the Regulations.

(2) The foreign proceeding shall be recognised–

(a) as a foreign main proceeding if it is taking place in the country where the debtor has the centre of his main interests; or

(b) as a foreign ancillary proceeding if the debtor has an establishment in the foreign country.

(3) An application for recognition of a foreign proceeding shall be decided upon at the earliest possible time.

(4) The provisions of this Part do not prevent the modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist.

Subsequent information.

465. After the filing of an application for recognition of a foreign proceeding, the foreign representative shall inform the High Court promptly of–

(a) any substantial change in the status of the authorized foreign proceeding or the status of the foreign representative's appointment; and

(b) any other foreign proceeding regarding the same debtor that becomes known to the foreign representative.

Interim relief.

466.–(1) Where an application for recognition of a foreign proceeding has been filed but not yet determined or

withdrawn, the High Court may, on the application of the foreign representative concerned, if it is satisfied that relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant such relief of a provisional nature as it considers appropriate, including–

(a) staying execution against the debtor's assets;

(b) entrusting the administration or realisation of all or part of the debtor's assets located in Belize to the foreign representative or to another person designated by the High Court, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy;

(c) any relief mentioned in section 468(1)*(c)*, *(d)* and *(f)*.

(2) The foreign representative in whose favour an order is made under sub-section (1) shall notify the debtor of the order as soon as practicable or within such time as the High Court may order.

(3) Unless extended under section 468(1)*(f)*, the relief granted under this article terminates when the High Court determines the application for recognition.

(4) The High Court may refuse to grant relief under this section if such relief would interfere with the administration of a foreign main proceeding.

Effects of recognition of foreign main proceeding.

467.–(1) Upon recognition of a foreign proceeding that is a foreign main proceeding–

(a) commencement or continuation of individual actions or individual proceedings concerning

the property of the debtor within Belize, rights, obligations or liabilities is stayed;

(b) execution against the debtor's property within Belize is stayed; and

(c) the right to transfer, encumber or otherwise dispose of any property of the debtor within Belize is suspended.

(2) Notwithstanding sub-section (1), the High Court may, on the application of any creditor or interested person, order that the stay or suspension does not apply in respect of any particular action or proceeding or in respect of any particular property, rights, obligation or liability.

(3) An order under sub-section (2) may be made subject to such terms as it considers fit.

(4) Sub-section (1)*(a)* does not affect the right to commence individual actions or proceedings to the extent necessary to preserve a claim against the debtor.

(5) Sub-section (1) does not affect the right to request the commencement of a Belize insolvency proceeding or the right to file claims in such a proceeding.

Relief that may be granted upon recognition of foreign proceeding.

468.–(1) Upon recognition of a foreign proceeding, whether main or ancillary, where necessary to protect the assets of the debtor or the interests of the creditors, the High Court may, at the request of the foreign representative, grant any appropriate relief, including–

(a) staying the commencement or continuation of individual actions or individual proceedings concerning the debtor's property, rights, obligations or liabilities, to the extent they have not been stayed under section 467(1)*(a)*;

(b) staying execution against the debtor's property to the extent it has not been stayed under section 467(1)*(b)*;

(c) suspending the right to transfer, encumber or otherwise dispose of any property of the debtor to the extent this right has not been suspended under section 467(1)*(c)*;

(d) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;

(e) entrusting the administration or realisation of all or part of the debtor's assets located in Belize to the foreign representative or another person designated by the High Court;

(f) extending relief granted under section 466(1).

(2) Upon recognition of a foreign proceeding, whether main or ancillary, the High Court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's property located in Belize to the foreign representative or another person designated by the High Court, provided that the High Court is satisfied that the interests of creditors in Belize are adequately protected.

(3) In granting relief under this section to a representative of a foreign ancillary proceeding, the High Court shall be satisfied that the relief relates to property that, under the law of Belize, should be administered in the foreign ancillary proceeding or concerns information required in that proceeding.

Protection of creditors and other interested persons.

469.–(1) In granting or denying relief under section 466 or 468, or in modifying or terminating relief under sub-section (3), the High Court shall be satisfied that the interests of the

creditors and other interested persons, including the debtor, are adequately protected.

(2) The High Court may subject relief granted under section 466 or 468 to such conditions as it considers appropriate, including the giving of any security interest or the filing of any bond.

(3) The High Court may, at the request of the foreign representative or a person affected by relief granted under section 466 or 468, or at its own motion, modify or terminate the relief.

Actions to avoid acts detrimental to creditors.

470.–(1) Subject to sub-section (2), upon recognition of a foreign proceeding, the foreign representative shall have power to apply to the High Court for an order under section 241 or 421, as the case may be.

(2) The High Court shall not make an order under section 241 or 421 on the application of the foreign representative of a recognised foreign proceeding unless it is satisfied that–

(a) in the case of an application under section 241, the foreign representative has roles and functions that are equivalent or broadly similar to the roles and functions of a liquidator appointed under this Act; and

(b) in the case of an application under section 421, the foreign representative has roles and functions that are equivalent or broadly similar to the roles and functions of a bankruptcy trustee appointed under this Act.

(3) When the foreign proceeding is a foreign ancillary proceeding, the High Court shall be satisfied that the action relates to property that, under the law of Belize, should be administered in the foreign ancillary proceeding.

Intervention by foreign representative in proceedings in Belize.

471. Upon recognition of a foreign proceeding, the foreign representative may, if the requirements of the law of Belize are met, intervene in any proceedings in which the debtor is a party.

Cooperation and direct communication between High Court and foreign courts or foreign representatives.

472.–(1) In matters referred to in section 450, the High Court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through an insolvency administrator.

(2) The High Court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties to notice and participation at hearings.

Cooperation and direct communication between the insolvency administrator and foreign courts or foreign representatives.

473.–(1) In matters referred to in section 450, an insolvency administrator shall, in the exercise of his functions and subject to the supervision of the High Court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

(2) Subject to section 456, the insolvency administrator is entitled, in the exercise of his functions and subject to the supervision of the High Court, to communicate directly with foreign courts or foreign representatives.

Forms of cooperation.

474. Cooperation referred to in sections 472 and 473 may be implemented by any appropriate means, including–

(a) appointment of a person or body to act at the direction of the High Court;

(b) communication of information by any means considered appropriate by the High Court;

(c) coordination of the administration and supervision of the debtor's property and affairs;

(d) approval or implementation by courts of agreements concerning the coordination of proceedings;

(e) coordination of concurrent proceedings regarding the same debtor.

Commencement of Belize insolvency proceeding after recognition of foreign main proceeding.

475. After recognition of a foreign main proceeding, a Belize insolvency proceeding may be commenced only if the debtor has assets in Belize and the effects of Belize proceeding shall be restricted to the assets of the debtor that are located in Belize and, to the extent necessary to implement cooperation and coordination under sections 472, 473 and 474, to other property of the debtor that, under the law of Belize, should be administered in the recognised proceeding.

Coordination of a Belize insolvency proceeding and foreign proceedings.

476.–(1) Where a foreign proceeding and Belize insolvency proceeding are taking place concurrently regarding the same debtor, the High Court shall seek cooperation and coordination under sections 472, 473 and 474, and the following shall apply–

(a) when the Belize insolvency proceeding is taking place at the time the application for recognition of the foreign proceeding is filed–

(i) any relief granted under section 466 or 468 shall be consistent with the Belize insolvency proceeding; and

(ii) if the foreign proceeding is authorized in Belize as a foreign main proceeding, section 467 does not apply;

(b) when the Belize insolvency proceeding commences after recognition, or after the filing of the application for recognition, of the foreign proceeding–

(i) any relief in effect under section 466 or 468 shall be reviewed by the High Court and shall be modified or terminated if inconsistent with the Belize insolvency proceeding; and

(ii) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 467(1) shall be modified or terminated pursuant to section 467(2) if inconsistent with the Belize insolvency proceeding;

(c) in granting, extending or modifying relief granted to a representative of a foreign ancillary proceeding, the High Court shall be satisfied that the relief relates to property that, under the law of Belize, should be administered in the foreign ancillary proceeding or concerns information required in that proceeding.

(2) In matters referred to in section 468, in respect of more than one foreign proceeding regarding the same debtor, the High Court shall seek cooperation and coordination under sections 472, 473 and 474 and the following shall apply–

(a) any relief granted under section 466 or 468 to a representative of a foreign ancillary proceeding after recognition of a foreign main proceeding shall be consistent with the foreign main proceeding;

(b) if a foreign main proceeding is authorized after recognition, or after the filing of an application for recognition, of a foreign ancillary proceeding, any relief in effect under section 466 or 468 shall be reviewed

by the High Court and shall be modified or terminated if inconsistent with the foreign main proceeding;

(c) if, after recognition of a foreign ancillary proceeding, another foreign ancillary proceeding is recognised, the High Court shall grant, modify or terminate relief for the purpose of facilitating coordination of the proceedings.

Presumption of insolvency based on recognition of foreign main proceeding.

477. In the absence of evidence to the contrary, recognition of a foreign main proceeding is, for the purpose of commencing a Belize insolvency proceeding proof that the debtor is insolvent.

Rule of payment in concurrent proceedings.

478. Without prejudice to secured claims or rights in rem, a creditor who has received part payment in respect of his claim in a proceeding pursuant to a law relating to insolvency in a foreign country may not receive a payment for the same claim in a Belize insolvency proceeding regarding the same debtor, so long as the payment to the other creditors of the same class is proportionately less than the payment the creditor has already received.

PART XIX

Orders in aid of Foreign Proceedings

Interpretation of this Part.

479.–(1) In this Part–

"foreign proceeding" means a collective judicial or administrative proceeding in a relevant foreign country, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the property and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganisation, liquidation or bankruptcy and "debtor" shall be construed accordingly;

"foreign representative" means a person or body, including one appointed on an interim basis, authorised in a foreign proceeding to administer the reorganisation or the liquidation of the debtor's property or affairs or to act as a representative of the foreign proceeding;

"insolvency officer" means the Official Receiver, a liquidator, provisional liquidator, bankruptcy trustee, administrator, receiver, supervisor, or interim supervisor;

"relevant foreign country" means a country, territory or jurisdiction designated by the Commission as a relevant foreign country for the purposes of this Part; and

"Belize insolvency proceeding" means a collective judicial or administrative proceeding, including an interim proceeding, pursuant to this Act, or to any other enactment in Belize, relating–

(a) to the bankruptcy, liquidation, administration or receivership of a debtor; or

(b) to the authorization of a debtor's affairs, where, in all cases, the property of the debtor is or will be authorized for the benefit of secured or unsecured creditors.

(2) Notwithstanding sub-section (1), a country or territory that is designated as a designated country for the purposes of Part XVIII ceases to be a relevant foreign country from the date of its designation as a designated country.

(3) The designation of a country for the purposes of Part XVIII does not affect the validity of any order made under this Part.

Order in aid of foreign proceeding.

480.–(1) For the purposes of this section "property" means property that is subject to or involved in the foreign proceeding in respect of which the foreign representative is authorised.

(2) A foreign representative may apply to the High Court for an order under sub-section (3) in aid of the foreign proceeding in respect of which he is authorised.

(3) Subject to section 460, upon an application under sub-section (1), the High Court may–

(a) restrain the commencement or continuation of any proceedings, execution or other legal process or the levying of any distress against a debtor or in relation to any of the debtor's property;

(b) subject to sub-section (4), restrain the creation, exercise or enforcement of any right or remedy over or against any of the debtor's property;

(c) require any person to deliver up to the foreign representative any property of the debtor or the proceeds of such property;

(d) make such order or grant such relief as it considers appropriate to facilitate, approve or implement arrangements that will result in a co-ordination of a Belize insolvency proceeding with a foreign proceeding;

(e) appoint an interim receiver of any property of the debtor for such term and subject to such conditions as it considers appropriate;

(f) authorize the examination by the foreign representative of the debtor or of any person who could be examined in a Belize insolvency proceeding in respect of a debtor;

(g) stay or terminate or make any other order it considers appropriate in relation to a Belize insolvency proceeding; or

(h) make such order or grant such other relief as it considers appropriate.

(4) An order under sub-section (3) shall not affect the right of a secured creditor to take possession of and realise or otherwise deal with property of the debtor over which the creditor has a security interest.

(5) In making an order under sub-section (3), the High Court may apply the law of Belize or the law applicable in respect of the foreign proceeding.

Matters to be considered by High Court in determining application under section 480.

481.–(1) In determining an application under section 480, the High Court shall be guided by what will best ensure the economic and expeditious administration of the foreign proceeding to the extent consistent with–

(a) the just treatment of all persons claiming in the foreign proceeding;

(b) the protection of persons in Belize who have claims against the debtor against prejudice and inconvenience in the processing of claims in the foreign proceeding;

(c) the prevention of preferential or fraudulent dispositions of property subject to the foreign proceeding, or the proceeds of such property;

(d) the need for distributions to claimants in the foreign proceedings to be substantially in accordance with the order of distributions in a Belize insolvency; and

(e) comity.

(2) An order under section 480 shall not, without the consent of the person concerned–

(a) affect the right of any creditor of the debtor to benefit from set-off as provided for in section 149; or

(b) result in a person who is a preferential creditor of the debtor, or who in a Belize insolvency proceeding in respect of the debtor would be a preferential creditor, receiving less than he would receive in a Belize insolvency proceeding.

(3) The High Court shall not make an order under section 480 that is contrary to the public policy of Belize.

Limitation on effect of application under this Part.

482.–(1) Subject to sub-section (2), an application to the High Court by a foreign representative under section 480 does not submit the foreign representative to the jurisdiction of the High Court for any other purpose except with regard to the costs of the proceedings.

(2) The High Court may make an order under this Part conditional on the compliance by the foreign representative with any other order of the High Court.

Additional assistance.

483. Subject to section 457, nothing in this Part limits the power of the High Court or an insolvency officer to provide additional assistance to a foreign representative where permitted under any other Part of this Act or under any other enactment or rule of law of Belize.

Application under this Part.

484. An application by a foreign representative under this Part shall be made to the High Court in accordance with the Regulations.

Authorisation of insolvency officer to act in foreign country.

485. The High Court may, on the application of an insolvency officer, authorise him to act in a foreign country on behalf of a Belize insolvency proceeding as permitted by the applicable foreign law.

PART XX

Insolvency Practitioners

Interpretation of this Part.

486. In this Part–

"Code of Practice" means the Code of Practice that the Commission is empowered to issue under section 500(1);

"Commission" means the Financial Services Commission established under section 3 of the Financial Services Commission Act;

Act No. 8 of 2023.

"licence" means a licence to act as an insolvency practitioner granted under section 489;

"licensee" means a licensed insolvency practitioner;

"overseas insolvency practitioner" means an individual resident outside Belize appointed to act as an insolvency practitioner under section 496; and

"Regulations" means the Insolvency Practitioners Regulations made under section 499.

Prohibition on acting as insolvency practitioner without a licence.

487.–(1) For the purposes of this Act, a person acts as an insolvency practitioner by acting as–

(a) the administrator or administrative receiver of a company;

(b) the liquidator or provisional liquidator of a company or a foreign company;

(c) the interim supervisor under a proposal for an arrangement;

(d) the supervisor of an arrangement; or

(e) the bankruptcy trustee of an individual.

(2) Subject to sub-section (3), no person shall act as an insolvency practitioner unless that person holds a licence issued under section 489 that is not suspended under section 492.

(3) Sub-section (2) does not apply–

(a) to the Official Receiver; or

(b) to an overseas insolvency practitioner whilst he is acting jointly with a licensee or with the Official Receiver.

(4) A person who contravenes sub-section (2) commits an offence.

Application for licence.

488.–(1) An individual resident in Belize may apply to the Commission for a licence to act as an insolvency practitioner.

(2) An application under sub-section (1) shall–

(a) contain the information and be in the form prescribed; and

(b) be accompanied by the documentation prescribed.

(3) The Commission may require an applicant for a licence to furnish it with such other documentation and information as it considers necessary to determine the application.

Issue of licence.

489.–(1) The Commission may issue a licence to the applicant if it is satisfied–

(a) that the applicant–

(i) is an individual resident in Belize who is fit and proper and qualified to act as an insolvency practitioner;

(ii) satisfies the requirements of this Act in respect of the application and will, upon issuance of the licence, be in compliance with this Act and the Regulations; and

(iii) is not disqualified from holding a licence under section 490; and

(b) that issuing the licence is not against the public interest.

(2) A licence may be issued under sub-section (1) subject to such terms and conditions as the Commission considers fit.

(3) The Commission may, upon giving reasonable notice to the licensee–

(a) vary or cancel any terms or conditions imposed under sub-section (1); or

(b) impose new terms or conditions.

(4) The Commission shall publish the issuance of a licence under this section in the *Gazette*.

Persons disqualified from holding a licence.

490. An individual is disqualified from holding a licence if–

(a) that individual is a bankrupt; or

(b) that individual is a disqualified person within the meaning of section 252(4) or a restricted person within the meaning of section 425.

Production of accounts and records.

491.–(1) The Commission may, at any time during or after the completion of an insolvency proceeding, require a licensee appointed in respect of the proceeding to produce for inspection, at such place as the Commission may specify–

(a) his records and accounts in respect of the proceeding; and

(b) any reports that he has prepared in respect of the proceeding.

(2) The Commission may cause the accounts and records produced to him under sub-section (1) to be audited.

(3) The licensee shall give the Commission such further information, explanations and assistance in relation to the records, accounts and reports as the Commission may require.

(4) A licensee who contravenes this section commits an offence.

Suspension and revocation of licence.

492.–(1) The Commission shall suspend or revoke the licence of a licensee if–

(a) in the opinion of the Commission, the licensee is no longer a fit and proper person to hold a licence;

(b) the licensee is disqualified from holding a licence; or

(c) the licensee is no longer resident in Belize.

(2) The Commission may suspend or revoke the licence of a licensee if the licensee–

(a) is in breach of any condition of his licence;

(b) has failed to comply with his obligations under this Part, the Regulations or the Code of Practice;

(c) has provided the Commission with any false, inaccurate or misleading information, whether on making application for a licence or subsequent to the issue of the licence;

(d) has committed an offence under this Act;

(e) has failed to pay the prescribed annual fee payable within six weeks of the date upon which it fell due for payment; or

(f) he fails to comply with a directive issued by the Commission under section 493.

(3) The Commission may revoke the licence of a licensee if requested to do so by the licensee.

(4) Subject to sub-section (5), the period of suspension of a licence under sub-section (1) shall not exceed 30 days.

(5) If it is satisfied that it is in the public interest to do so, the High Court may, on the application of the Commission, extend the period of suspension of a licence under this section for one or more further periods not exceeding 30 days each.

(6) Before suspending or revoking a licence under sub-sections (1) or (2), the Commission shall give written notice to the licensee stating–

(a) the grounds upon which it intends to revoke or suspend the licence; and

(b) that unless the licensee, by written notice filed with the Commission, shows good reason why

its licence should not be revoked or suspended, the licence will be revoked or suspended, as the case may be, on a date not less than 14 days after the date of the notice.

(7) Where the Commission revokes or suspends a licence under this section, it shall send a written notice to the licensee stating–

(a) that the licence has been revoked or suspended, as the case may be; and

(b) the grounds upon which and the date from which the licence has been revoked or suspended.

(8) Where the Commission revokes or suspends a licence under this section, it shall cause notice of the revocation or suspension to be published in the *Gazette* and in such other media as the Commission considers appropriate.

Right to make representations and issue directives.

493.–(1) A licensee who receives a notice given under 492(6) may, within 14 days of the date of the notice, make written representations to the Commission.

(2) The Commission shall consider the representations made to it under sub-section (1) in determining whether to suspend or revoke the licence.

(3) Where the Commission is entitled to revoke or suspend the licence of a licensee under section 492(2), the Commission may issue one or more of the following directives–

(a) that the licensee shall take all necessary steps to resign as an insolvency practitioner in respect of certain specified insolvency matters or specified types or descriptions of insolvency matters;

(b) that the licensee shall not accept any new appointments as an insolvency practitioner or any new appointments of a specified type or description;

(c) that the licensee shall take such other action as the Commission considers may be necessary to ensure that he properly fulfils his duties as an insolvency practitioner either generally or in respect of particular insolvency matters.

(4) Without limiting sub-section (3), where it considers it necessary for the exercise of its functions or for the proper supervision of insolvency practitioners, the Commission may issue directives of a special or general nature not inconsistent with this Part.

(5) Where the Commission issues a directive of a general nature under sub-section (4), it shall cause the directive to be advertised in the *Gazette* and in such other media as the Commission considers appropriate.

Filing of returns and other documents.

494. A licensee shall file with the Commission such returns and other documents as may be specified in the Regulations or the Code of Practice.

Eligible insolvency practitioner.

495.–(1) A person is eligible to act as an insolvency practitioner in relation to a company, a foreign company or an individual if–

(a) that person is a licensed insolvency practitioner;

(b) that person has given his written consent to act in the prescribed form;

(c) that person is not disqualified from holding a licence under section 490;

(d) that person is not disqualified from acting–

(i) in the case of a company or a foreign company, under sub-section (2); or

(ii) in the case of an individual, under sub-section (3); and

(e) there is in force such security for the proper performance of his functions as may be specified in the Regulations.

(2) A person is disqualified from acting as an insolvency practitioner in respect of a company and a foreign company if that person is, or at any time in the previous 3 years has been–

(a) the auditor of the company or an employee of such auditor; or

(b) a director of the company.

(3) An insolvency practitioner is disqualified from acting as an insolvency practitioner in respect of an individual if he is connected to the individual within the meaning of section 5(3).

Appointment of overseas insolvency practitioner.

496.–(1) Notwithstanding any other provision of this Act, an individual resident outside Belize may be appointed to act as an insolvency practitioner jointly with a licensee or the Official Receiver if–

(a) where that person is appointed by the High Court, or in any other case the person or persons appointing him, is or are satisfied that–

(i) he has sufficient qualifications and experience to act in the insolvency

proceeding in respect of which the appointment is made;

(ii) he has given his written consent to act in the prescribed form;

(iii) he is not disqualified from holding a licence under section 490;

(iv) he is not disqualified from acting in the case of a company or a foreign company, under section 495(2) or in the case of an individual, under sub-section 495(3);

(v) there is in force such security for the proper performance of his functions as may be specified in the Regulations; and

(b) prior written notice of his appointment has been given to the Commission.

(2) An individual appointed under sub-section (1) shall apply to the Commission for an interim licence in respect of his appointment in the manner specified by the Commission.

Commission's powers with regard to appointment of overseas insolvency practitioner.

497.–(1) Where an application is made to the High Court for the appointment of an overseas insolvency practitioner to act as insolvency practitioner, the Commission may appear and be heard at the hearing of the application for the purpose of objecting to the appointment.

(2) Where the Commission receives notice under section 496(1)*(b)* that an overseas insolvency practitioner is to be appointed by a person to act as an insolvency practitioner, it may give the appointer notice that it intends to apply to the High Court for an order that the overseas insolvency practitioner concerned should not be appointed.

(3) Where a person receives a notice from the Commission under sub-section (2), it shall not appoint the overseas insolvency practitioner concerned to act as insolvency practitioner unless–

(a) the High Court approves the appointment at the hearing of the Commission's application under sub-section (2); or

(b) the Commission approves the appointment.

(4) A person who contravenes sub-section (3) commits an offence.

Overseas practitioner sole appointee.

498.–(1) This section applies where a licensee, for any reason, ceases to act in an insolvency proceeding and an overseas insolvency practitioner appointed jointly with him remains as the only insolvency practitioner appointed in the insolvency proceeding.

(2) Where this section applies, the overseas practitioner shall within 3 days after becoming aware that he is the only person acting as insolvency practitioner in an insolvency proceeding, give notice in the prescribed form–

(a) to the High Court, where the High Court appointed him, or to such person or persons as appointed him; and

(b) to the Official Receiver.

(3) An overseas insolvency practitioner to whom sub-section (1) applies is deemed not to be in contravention of section 487(2)–

(a) where he gives notice in compliance with sub-section (2), at any time during the period commencing with the date upon which he

became the only person acting as insolvency practitioner in the insolvency proceeding and ending on the later of–

(i) the 14th day after the date on which he became the only person acting as insolvency practitioner in the insolvency proceeding; or

(ii) the seventh day after the date upon which he became aware that was the only person acting as insolvency practitioner in the insolvency proceeding; or

(iii) at any time when he does not know and could not be expected to have known that he is the only person acting in the insolvency proceeding.

Regulations.

499.–(1) The Commission may, with approval of the Minister, make Regulations generally for giving effect to this Part and specifically in respect of–

(a) the form and contents of, and the documents that shall accompany, an application for a licence under this Part;

(b) the qualifications and experience required of and examinations to be taken and passed by applicants for a licence;

(c) the minimum security, including insurance cover, to be maintained by a licensee;

(d) the records to be kept by a licensee, and the length of time such records shall be kept;

(e) the inspection by the Commission of the records of a licensee;

(f) documents to be filed with and returns to be made to the Commission by licensees;

(g) the submission to the Commission of complaints and the procedures for dealing with such complaints;

(h) fees payable on application for a licence and by licensees generally; and

(i) any other matter required or permitted by this Part to be specified in the Regulations

(2) The Regulations may–

(a) make different provision in relation to different persons, circumstances or cases;

(b) where a minimum standard, including a minimum level of security, is specified, authorize the Commission to impose a higher standard or a greater level of security, according to the circumstances of a particular licensee or insolvency proceeding; and

(c) provide for offences and penalties for any prohibition or contravention or failure to comply with a requirement prescribed in the Regulations.

(3) The Regulations, and any amendment to the Regulations, shall be published in the *Gazette*.

(4) Sections 507, 508, 509 and 516 apply in respect of the Regulations.

Code of Practice.

500.–(1) Subject to sub-sections (2) and (3), the Commission may issue a Code of Practice with respect to–

(a) the criteria that will be used in assessing applications for a licence, including the criteria for determining whether or not an individual is to be regarded as being resident in Belize; and

(b) the procedures to be followed by and the conduct expected of a licensee when acting as an insolvency practitioner.

(3) The Regulations may specify matters that shall or may be included in the Code of Practice, including the matters specified in section 478(1), and may limit the scope of the Code of Practice.

(4) The Code of Practice may make different provision in relation to different persons, circumstances or cases.

(5) The Commission shall publish the Code of Practice and any amendments thereto in the *Gazette*.

Insolvency Surplus Account.

501.–(1) The Commission shall open and maintain an account called the Insolvency Surplus Account with a reputable bank licensed and operating in Belize.

(2) The Commission shall pay into the Insolvency Surplus Account all monies representing the unclaimed assets of companies and bankrupts that are received by it in accordance with the Regulations.

(3) The Regulations may provide for the management of the Insolvency Surplus Account by the Commission, the investment of monies held in the Insolvency Surplus Account and the circumstances in which monies shall or may be paid into and out of the Insolvency Surplus Account.

PART XXI

Official Receiver

Official Receiver, Deputy Official Receiver and staff.

502.–(1) The Registrar may apply to the High Court for the appointment of the Official Receiver or a qualified insolvency practitioner as liquidator of the company.

(2) The Official Receiver is an employee of the Commission.

(3) The Commission shall appoint one of its officers as Deputy Official Receiver and shall provide the Official Receiver with such other staff and resources as he requires to perform his functions under this Act and the Regulations.

Official Receiver as officer of the Court.

503. For the purposes of the performance of his functions under this Act and the Regulations, the Official Receiver is an officer of the High Court and the Official Receiver–

(a) may apply to the High Court for directions in connection with his functions; and

(b) shall comply with any directions given to him by the High Court.

Functions of Official Receiver.

504.–(1) The Official Receiver has the duties, powers and functions imposed or conferred on him by this Act, any other enactment, the Regulations and the Regulations.

(2) Any assets vested in the Official Receiver on his dying or otherwise ceasing to hold office, vest in his successor without any conveyance, assignment or transfer.

(3) Subject to any provision in this Act or the Regulations to the contrary, a reference to the liquidator, supervisor, interim supervisor, receiver or bankruptcy trustee includes the Official Receiver when acting in that capacity.

Right of audience.

505. The Official Receiver and the Deputy Official Receiver have a right of audience in insolvency proceedings before the High Court.

PART XXII

Miscellaneous

Appointment of 2 or more office holders.

506.–(1) Where this Act provides for the appointment of a liquidator, provisional liquidator, administrator, bankruptcy trustee, supervisor or interim supervisor, 2 or more persons may be jointly appointed to the relevant office.

(2) Where 2 or more persons are jointly appointed to an office, a function or power of the office may be performed or exercised by any one of the office holders, or by any 2 or more of them together, except so far as the order, deed, instrument or resolution appointing them otherwise provides.

Use of prescribed forms.

507.–(1) If a document required or permitted by this Act or the Regulations to be prepared or filed is of a type the form of which is prescribed by the Regulations, that form shall be used with such modifications as the circumstances require.

(2) Notwithstanding sub-section (1), a prescribed form shall not be varied so as to omit any information or guidance which the form gives to the intended recipient of the form.

Notices.

508.–(1) Subject to sub-section (2), all notices required or authorised to be given by or under this Act or the Regulations shall be in writing.

(2) Sub-section (1) does not apply where–

(a) this Act or the Regulations provide otherwise; or

(b) the High Court requires or permits a notice to be given in some other way.

Time.

509.–(1) Unless this Act or the Regulations expressly provide otherwise, where the Act or the Regulations specify a time within which an action shall or may be done, the High Court–

(a) may extend the time either before or after it has expired; or

(b) abridge the time, on such terms as it considers fit.

(2) Without limiting sub-section (1), where it is satisfied that an application is urgent, the High Court may–

(a) hear the application immediately, either with or without notice to, or the attendance of, other parties; or

(b) authorize a shorter period of service than that provided for by the Act or the Regulations.

Resolutions.

510.–(1) Anything which is required or permitted to be done under this Act or the Regulations by a resolution of the creditors of a company, a bankrupt or an individual debtor, by a resolution of a creditors' committee or by a resolution of the members of a company may be done by written resolution of the creditors, creditors' committee or members in accordance with and subject to any conditions specified in the Regulations.

(2) The Regulations may specify types or classes of resolution to which sub-section (1) does not apply.

(3) Subject to sub-section (2)–

(a) a reference in this Act or the Regulations to a resolution of a creditors' or members'

meeting or to anything done at a creditors' or members' meeting includes a reference to anything done by a written resolution in accordance with this section; and

(b) a requirement to hold a creditors' or members' meeting is satisfied by the passing of a written resolution in accordance with this section.

Regulations.

511.–(1) The Commission may, with the approval of the Minister, make Regulations generally for giving effect to this Act and specifically in respect of anything required or permitted to be prescribed by this Act.

(2) The Regulations may make different provision for different persons, circumstances or cases.

(3) The Regulations may provide for–

(a) offences and penalties for any prohibition or contravention or failure to comply with a requirement prescribed in the Regulations; and

(b) the imposition of administrative fines under this Act and for the appeal of any decision to impose an administrative fine.

Insolvent partnerships.

512.–(1) The Commission may, with the approval of the Minister, make Regulations specifying which provisions of this Act shall apply to insolvent partnerships and the modifications applicable to insolvent partnerships.

(2) The Regulations made under sub-section (1) may contain such incidental, supplemental and transitional provisions as the Commission considers necessary or expedient.

Insolvent estates.

513.–(1) The Commission may, with the approval of the Minister, make Regulations specifying which provisions of this Act shall apply to the administration of insolvent estates of deceased persons and the modifications applicable to the administration of such estates.

(2) The Regulations made under sub-section (1) may contain such incidental, supplemental and transitional provisions as the Commission considers necessary or expedient.

Offences under the Act.

514.–(1) A person who commits an offence under this Act is liable to an administrative fine imposed by the Commission–

(a) if an individual, to the penalty stated against the relevant offence in column 4 of Schedule IX; or

Schedule IX.

(b) if not an individual, to the penalty stated against the relevant offence in column 3 of Schedule IX,

and, in either case, to the daily default, fine, if applicable, stated in column 5 of Schedule IX for each day during which the default continues.

(2) Where an offence under this Act is committed by a body corporate, a director or officer who authorised, permitted or acquiesced in the commission of the offence also commits an offence and is liable to an administrative fine imposed by the Commission–

(a) if an individual, to the penalty stated against the relevant offence in column 4 of Schedule IX; or

(b) if not an individual, to the penalty stated against the relevant offence in column 3 of

Schedule IX, and, in either case, to the daily default fine, if applicable, stated in column 5 of Schedule IX for each day during which the default continues.

General offence and penalty.

515.–(1) Any person who contravenes any of the provisions of this Act or incites or attempts to incite a person to contravene any of the provisions of this Act commits an offence.

(2) Any person who contravenes any of the provisions of this Act for which no penalty is specifically provided is liable to an administrative fine imposed by the Commission.

Act binding on Crown.

516. This Act is binding on the Crown.

Act to prevail. Act No. 11 of 2022.

517. In the event of any inconsisteny between this Act and the Belize Companies Act, concerning the enforceability of netting agreements, the provisions of this Act shall prevail.

Repeal, savings and transitional. CAP. 244.

518.–(1) The Bankruptcy Act is repealed.

(2) Notwithstanding the repeal of the Bankruptcy Act (the "repealed Act")–

(a) every order issued under the repealed Act and in force immediately before the coming into force of this Act shall continue to be in force;

(b) unless otherwise provided in this Act, a bankruptcy proceeding or winding up proceeding commenced before the date of commencement of this Act shall be determined by laws applicable immediately prior to the date of commencement of this Act; and

(c) nothing in this Act shall affect any proceedings taken or a right which has accrued or a liability

which has been incurred under the repealed Act.

(3) Every application for an order under the repealed Act which has not yet been determined shall be continued as if it were made under this Act.

(4) A person who, immediately before the commencement date of this Act, was entitled to and was practising as a trustee, shall, within six months after the commencement date, make an application under section 12 to the Supervisor for a licence to operate as a trustee and that the person may continue to practise as a trustee until the application of that person is determined.

(5) The High Court may on the application of an interested person direct that a proceeding under sub-section (1) continues and is determined under this Act and any regulations thereunder, subject to the modifications the High Court considers appropriate.

Consequential amendment.

519. The Belize Companies Act is amended–

(a) in section 274–

(i) in sub-section (2), by deleting paragraph *(b)* and substituting the following–

"*(b)* permits the enforceability of netting, set-off, enforcement, and realization if any provision of an agreement between the parties would make such actions void due to fraud, misrepresentation, or similar grounds, provided that the limitations on avoidance set out in the Insolvency and Bankruptcy Act shall apply."; and

(ii) by inserting after sub-section (2), the following new sub-section–

"(3) For the avoidance of doubt, any matter related to the treatment of netting agreements in insolvency shall be construed in accordance with section 301 of the Insolvency and Bankruptcy Act."; and

(b) by inserting after section 274, the following new section–

"Enforceability of netting agreements.

274A.—(1) Notwithstanding anything contained in this Act or any other law, the enforceability of netting agreements during insolvency proceedings shall be governed by the provisions of the Insolvency and Bankruptcy Act.

(2) A transfer, substitution, or exchange under a netting agreement shall not be avoided except upon clear and convincing evidence that such transaction was made with actual intent to hinder, delay, or defraud any creditor.".

Commencement.

520.–(1) This Act shall come into force on a date appointed by the Minister, by Order published in the *Gazette*.

(2) An Order under sub-section (1) may appoint different dates for the commencement of different provisions of this Act.

SCHEDULE I
[sections 89 and 143]

POWERS OF ADMINISTRATOR AND ADMINISTRATIVE RECEIVER

1. Power to take possession of, collect and get in the assets of the company and, for that purpose, to take such proceedings as he considers expedient to recover possession of any assets of the company.

2. Power to sell, charge or otherwise dispose of assets of the company.

3. Power to borrow money, whether on the security of the assets of the company, or otherwise.

4. Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.

5. Power to commence, continue, discontinue or defend any action or other legal proceedings in the name and on behalf of the company.

6. Power to refer to arbitration any question affecting the company.

7. Power to effect and maintain insurances in respect of the business and assets of the company.

8. Power to draw, accept, make and endorse a bill of exchange or promissory note in the name and on behalf of the company.

9. Power to appoint any agent to do any business which he is unable to do himself or herself or which can be more conveniently done by an agent and power to employ and dismiss employees.

10. Power to do all such things (including the carrying out of works) as may be necessary for the realisation of the assets of the company.

11. Power to make any payment which is necessary or incidental to the performance of his functions.

12. Power to carry on the business of the company.

13. Power to establish subsidiaries of the company.

14. Power to transfer to subsidiaries of the company the whole or any part of the business and assets of the company.

15. Power to grant or accept a surrender of a lease or tenancy of any of the assets of the company, and to take a lease or tenancy of any property required or convenient for the business of the company.

16. Power to make any arrangement or compromise on behalf of the company.

17. Power to call up any uncalled capital of the company.

18. Power to rank and claim in the bankruptcy, liquidation, insolvency or sequestration of any person indebted to the company and to receive dividends, and to accede to trust deeds for the creditors of any such person.

19. Power to make or defend an application for the winding up of the company.

20. Power to amend the Articles and to change the situation of the company's registered office.

21. Power to do all things incidental to the exercise of the foregoing powers.

SCHEDULE II
[sections 185]

POWERS OF LIQUIDATOR

1. Power to pay any class of creditors in full.

2. Power to make a compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging that they have any claim against the company, whether present or future, certain or contingent, ascertained or not.

3. Power to compromise, on such terms as may be agreed–

(a) calls and liabilities to calls, debts and liabilities capable of resulting in debts, and claims, whether present or future, certain or contingent, ascertained or not, subsisting or supposed to subsist between the company and any person; and

(b) questions in any way relating to or affecting the assets or the liquidation of the company, and take security for the discharge of any such call, debt, liability or claim and give a complete discharge in respect of it.

4. Power to commence, continue, discontinue or defend any action or other legal proceedings in the name and on behalf of the company.

5. Power to carry on the business of the company so far as may be necessary for its beneficial liquidation.

6. Power to sell or otherwise dispose of property of the company.

7. Power to do all acts and execute, in the name and on behalf of the company, any deeds, receipts or other document.

8. Power to use the company's seal.

9. Power to prove, rank and claim in the bankruptcy, liquidation, insolvency or sequestration of any member or past member for any balance against his estate, and to receive dividends, in the bankruptcy, liquidation, insolvency, sequestration or in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors.

10. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company with the same effect with respect to the company's liability as if the bill or note had been drawn, accepted, made or indorsed by or on behalf of the company in the course of its business.

11. Power to borrow money, whether on the security of the assets of the company or otherwise.

12. Power to take out in his official name letters of administration to any deceased member or past member or debtor, and to do any other act necessary for obtaining payment of any money due from a member or past member or debtor, or his estate, that cannot conveniently be done in the name of the company. For the purpose of enabling the liquidator to take out letters of administration or do any other act under this paragraph, to be due to the liquidator himself or herself.

13. Power to call meetings of creditors or members for—

(a) the purpose of informing creditors or members concerning the progress of or matters arising in the liquidation;

(b) the purpose of ascertaining the views of creditors or members on any matter arising in the liquidation; or

(c) such other purpose connected with the liquidation as the liquidator considers fit.

14. Power to appoint a solicitor, accountant or other professionally qualified person to assist him in the performance of his duties.

15. Power to appoint an agent to do any business that the liquidator is unable to do himself or herself, or which can be more conveniently done by an agent.

SCHEDULE III
[section 162]

LIQUIDATION OF FOREIGN COMPANY

1. Part VI applies to the liquidation of a foreign company with the modifications and exclusions specified in this Schedule.

2. A foreign company is deemed to be insolvent if, in addition to the circumstances specified in section 8(1), it fails to comply with the requirements of a notice issued in accordance with paragraph 4.

3. Where a person has instituted an action or other proceeding against any member of a foreign company for any debt or demand due, or claimed to be due, from the company or from him in his character as member, that person may issue a notice to the company in accordance with paragraph 4.

4. A notice under this Schedule shall–

(a) be in writing and shall specify the action or proceeding that has been instituted;

(b) be signed by the person who instituted the action or proceeding or by a person authorised to issue the notice on his behalf;

(c) require the company to pay, secure or compound for the debt or demand, or to procure the action or proceeding to be stayed or to indemnify the defendant to his reasonable satisfaction against the action or proceeding, and against all costs, damages and expenses to be incurred by him because of it;

(d) state that if the notice is not complied with, application may be made to the High Court for the appointment of a liquidator; and

(e) be served in accordance with the Regulations.

5. Unless the context otherwise requires, references in Part VI–

(a) to a company are to be taken as references to a foreign company, except in sections 158, 160 and 161; and

(b) to assets are to be taken as references to assets situated in Belize.

SCHEDULE IV
[section 341]

POWERS OF BANKRUPTCY TRUSTEE

PART I

POWERS EXERCISABLE WITH SANCTION

1. Power to carry on any business so far as may be necessary for winding it up beneficially and so far as the bankruptcy trustee is able to do so without contravening any requirement imposed by or under any enactment.

2. Power to bring, institute or defend any action or legal proceedings relating to the assets comprised in the bankrupt's estate.

3. Power to accept as the consideration for the sale of any asset comprised in the bankrupt's estate a sum of money payable at a future time subject to such stipulations as to security or otherwise as the creditor's committee or the High Court considers fit.

4. Power to mortgage, create a security right or pledge any part of the assets comprised in the bankrupt's estate for the purpose of raising money for the payment of his liabilities.

5. Power, where any right, option or other power forms part of the bankrupt's estate, to make payments or incur liabilities with a view to obtaining, for the benefit of the creditors, any asset which is the subject of the right, option or power.

6. Power to refer to arbitration, or compromise on such terms as may be agreed on, any claims or liabilities subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt.

7. Power to make such compromise or other arrangement as may be thought expedient with creditors, or persons claiming to be creditors, in respect to bankruptcy liabilities.

8. Power to make such compromise or other arrangement as may be thought expedient with respect to any claim arising out of or incidental to the bankrupt's estate made or capable of being made on the bankruptcy trustee by any person or by the trustee on any person.

PART 2

GENERAL POWERS

9. Power to sell any of the assets for the time being comprised in the bankrupt's estate, including the goodwill and book debts of any business.

10. Power to give receipts for any money received by him, being receipts which effectually discharge the person paying the money from all responsibility in respect of its application.

11. Power to prove, rank, claim and draw a dividend in respect of such debts due to the bankrupt as are comprised in his estate.

12. Power to exercise, in relation to any asset comprised in the bankrupt's estate, any powers the capacity to exercise which is vested in him under Part XIII of this Act.

13. Power to deal with any asset comprised in the estate to which the bankrupt is beneficially entitled as tenant in tail in the same manner as the bankrupt might have dealt with it.

14. Power to at any time summon a general meeting of the bankrupt's creditors.

PART 3

ANCILLARY POWERS

15. For the purposes of, or in connection with, the exercise of any of his powers under Part XIII of this Act, the bankruptcy trustee may, by his official name–

(a) hold assets of every description;

(b) make contracts;

(c) sue and be sued;

(d) enter into engagements binding on himself and herself and, in respect of the bankrupt's estate, on his successors in office;

(e) employ an agent,

and he may do any other act which is necessary or expedient for the purposes of or in connection with the exercise of those powers.

SCHEDULE V
[section 285(1)]

INFORMATION TO BE SUBMITTED BY COMPANY IN APPLICATION FOR SIMPLIFIED DEBT RESTRUCTURING PROGRAMME

An application for consideration in the Simplified Debt Restructuring Programme shall–

(a) be accompanied by–

(i) a special resolution of the company in general meeting authorising the making of the application;

(ii) a list containing the name and address of each creditor of the company and the amounts owed to each creditor; and

(iii) any document or documents prescribed by regulations made under this Part;

(b) state that the company seeks to enter into an arrangement with its creditors or any class of its creditors, and that it is not aware of any circumstances under section 285 (3) that would make the company unsuitable for acceptance into the simplified debt restructuring programme;

(c) be in the relevant form;

(d) contain the prescribed information and be made in the prescribed manner; and

(e) be accompanied by the prescribed fee, if any.

SCHEDULE VI
[section 286(a)]

ELIGIBILITY CRITERIA FOR THE SIMPLIFIED DEBT RESTRUCTURING PROGRAMME

An applicant company which meets the following criteria may be eligible for participation in the Debt Restructuring Programme–

(a) the applicant company's annual sales turnover for the relevant period does not exceed $1 million;

(b) the liabilities of the applicant company do not exceed $1 million;

(c) any other criteria as may be prescribed by the Commission through regulations.

SCHEDULE VII
[section 286(b)]

CIRCUMSTANCES OF INELIGIBILITY FOR THE DEBT RESTRUCTURING PROGRAMME

An applicant company shall be considered ineligible for the Debt Restructuring Programme should one or more of the following circumstance pertain to such a company–

(a) the applicant company is being wound up pursuant to an order for the winding up of a company under section 227 of the Belize Companies Act;

(b) the applicant company is in judicial proceeding relating to–

(i) the bankruptcy, liquidation, administration or receivership of a debtor; or

(ii) the reorganisation of a debtor's affairs, where, in all cases, the property of the debtor is or will be realised for the benefit of secured or unsecured creditors;

(c) an application has been made by or in respect of the applicant company under section 175 (1) of the Belize Companies Act and the application is pending;

(d) an order under section 175 (3) of the Belize Companies Act or a moratorium order under section 53 of this Act, is in force in relation to the applicant company;

(e) a provisional liquidator of the applicant company has been appointed under section 169;

(f) an interim judicial manager has been appointed by the High Court;

(g) the affairs of the applicant company are such that–

(i) the administration of the simplified debt restructuring programme in relation to the applicant company is likely to require significant resources or specialised knowledge or expertise; or

(ii) the applicant company, with the assistance of a Restructuring Advisor, is unlikely to be able to formulate a proposed arrangement with its creditors, obtain the agreement of two-thirds majority in value of its creditors to the proposed compromise or arrangement, and make an application to the High Court under section 293(1) for the approval of the proposed compromise or arrangement or arrangement within 90 days after the applicant company's acceptance into the programme;

(h) there is a trustee appointed for debenture holders in respect of the applicant company;

(i) at least one-third in value of the creditors of the applicant company object to the applicant company's acceptance into the simplified debt restructuring programme;

(j) a person who has appointed, or is or may be entitled to appoint, a receiver and manager of the whole, or substantially the whole, of the applicant company's property under the terms of any debentures of the applicant company secured by a floating charge, or by a floating charge and one or more fixed charges, that would be valid and enforceable in the case of a liquidation of the applicant company, objects to the applicant company's acceptance into the simplified debt restructuring programme;

(k) any other circumstances as may be prescribed by order in the *Gazette*.

SCHEDULE VIII
[section 287]

INFORMATION TO BE CONTAINED IN NOTICE OF APPLICATION

A Notice of Application shall contain the following–

(a) the name of the applicant company and [unique identifier number] [unique company number];

(b) the date of the notice of application;

(c) a note stating that unless an objection is received within the period of 21 days after the date of the notice of application, the Official Receiver may accept the applicant company into the simplified debt restructuring programme;

(d) the form of, and manner of delivering, a notice of objection;

(e) a note providing the address of the designated website and stating that all subsequent notices relating to the applicant company required to be published by the Official Receiver on the designated website under this Part will be published on the designated website;

(f) any other information as may be prescribed by regulations made under section 500.

SCHEDULE IX
[section 514]

OFFENCES UNDER THIS ACT

Column 1 Section of Act creating offence	**Column 2** General nature of offence	**Column 3** Penalty (body corporate)	**Column 4** Penalty (individual)	**Column 5** Daily default fine
20(2)	Director voting in favour of resolution to appoint interim supervisor without having reasonable grounds for believing that company is insolvent or is likely to become insolvent.	$5000	$4000	
24(2)	Interim supervisor failing to file notice of appointment with Registrar.		$1000	$100
24(2)	Interim supervisor failing to file notice of appointment with Commission.	$1000	$1000	$100
25(4)	Officer of company failing to comply with High Court order made under section 25(3).		$2000	
27(3)	Interim supervisor contravening section 27(1)	$1000	$1000	
32(5)	Person, as chairman of creditors'		$1000	$100

	meeting, failing to prepare report of meeting.			
32(5)	Person, as chairman of creditors' meeting, failing to send report of meeting to creditors.		$1000	$100
32(5)	Person, as chairman of creditors' meeting, failing to file report of meeting with Registrar.		$1000	$100
33(2)	Supervisor failing to file notice of appointment with Registrar.		$1000	$100
33(2)	Supervisor failing to file notice of appointment with Commission.		$1000	$100
36(3)	Supervisor failing to keep accounting records in accordance with section 36(1).		$7500	
37(5)	Supervisor contravening section 37 (Supervisor to prepare and send out regular accounts and reports).		$7500	
38(3)	Supervisor contravening section 38 (Completion of arrangement).		$2000	$100
45	Officer of	$10,000	$10,000 or Imprisonment	

	company making false representation or fraudulently doing or omitting to do anything for the purpose of obtaining the approval of the creditors of the company to an arrangement.		for 2 years or both	
48(2)	Interim supervisor failing to file notice of appointment with Commission.		$1000	$100
49(4)	Debtor failing to comply with order of High Court made under section 49(3).		$7500 or Imprisonment for 1 year or both	
58(2)	Interim supervisor failing to call meeting of creditors.		$2000	
58(2)	Interim supervisor failing to send to creditor documents required to be sent under section 58(1)*(b)*.		$2000	
61(5)	Person, as chairman of creditors' meeting, failing to file any document as required under section 61(1).		$1000	
61(5)	Person, as chairman of creditors' meeting, failing to send notice of result of meeting to a creditor.		$1000	$100
64(3)	Supervisor contravening		$7500 or Imprisonment	

	section 64 (Supervisor's duty to keep accounting records).		for 1 year or both	
65(4)	Supervisor contravening section 65 (Supervisor to prepare and send out regular accounts and reports).		$7500 or Imprisonment for 1 year or both	
66(3)	Supervisor contravening section 66 (Completion of arrangement).		$2000	
74(2)	Debtor making any false representation or fraudulently doing, or omitting to do, anything for the purpose of obtaining the approval of his creditors to an arrangement.		$10,000 or Imprisonment for 2 years or both	
81(2)	Administrator failing to give notice of his appointment in accordance with section 82(1)*(a)*.		$2000	
81(2)	Administrator failing to comply with section 82(1)*(b)*.		$1000	$100
81(2)	Administrator failing to send notice of appointment to company or a creditor.		$1000	$100
84(2)	Company contravening section 85(1) (Preservation of charged and other assets).	$7500	$5000	
85(8)	Company failing to file with Registrar	$500	$500	$100

	notice of order made under section 85(2) or sealed copy of order.			
85(8)	Company failing to comply with condition imposed under section 85.	$5000	$4000	
91(6)	Administrator failing to serve or file copy of order in contravention of section 91(5).		$1000	$100
91(6)	Administrator failing to comply with condition imposed under section 91.		$10,000	
99(6)	Administrator contravening section 99(1).		$2000	
100(5)	Person failing to attend creditors' meeting.	$1000	$1000	
101(6)	Administrator failing to report result of creditors' meeting to High Court.		$1000	$100
101(6)	Administrator failing to file copy of report of creditors' meeting with Registrar.		$1000	$100
101(6)	Administrator failing to send notice of result of creditors' meeting to every creditor.		$1000	$100
103(6)	Administrator failing to report result of creditors' meeting to High Court.		$1000	$100
103(6)	Administrator failing to file copy of report of creditors' meeting with Registrar.		$1000	$100

103(6)	Administrator failing to send notice of result of creditors' meeting to every creditor.		$1000	$100
105(3)	Administrator contravening section 106 (Administrator's duty to keep accounting records)		$7500 or imprisonment for 1 year or both	
106(4)	Administrator contravening section 106 (Administrator to prepare and send out regular accounts and reports)		$7500 or imprisonment for 1 year or both	
107(3)	Company contravening section 107(1)	$2000	$1000	
107(3)	Officer or administrator of company causing, permitting or acquiescing in contravention by company of section 107(1) (Notification)	$2000	$1000	
111(2)	Administrator or former administrator failing to file with the Registrar copy of order varying or discharging administration order	$5000	$4000	$100
115(3)	Person accepting or purporting to accept appointment or acting or purporting to act as a receiver contrary to section 115(1)		$1000	
117(4)	Receiver failing		$2000	

	to send notice of appointment to company			
117(4)	Administrative receiver failing to advertise his appointment		$1000	$100
117(4)	Administrative receiver failing to send notice of his appointment to all creditors		$1000	$100
118(4)	Person contravening or causing, permitting or acquiescing in a contravention of section 118(1)	$2000	$1000	
119(7)	Receiver failing to vacate his office forthwith if he ceases to be eligible to act as a receiver		$4000	
119(7)	Receiver failing to give notice in accordance with section 1219(3)		$2000	
119(7)	Receiver failing to notify High Court that he ceases to be eligible to act as a receiver		$2000	
119(7)	Person failing to give notice to Registrar of vacancy in the office of receiver		$1000	$100
120(3)	Person failing to comply with order made under section 120(2)	$7500	$5000 or imprisonment for 1 year or both	
123(3)	Person failing to comply with order made under section 123(2)	$7500	$5000 or imprisonment for 1 year or both	
135(7)	Receiver contravening section 136 (Receivership accounts to be		$4000	$200

	filed with Registrar)			
136(5)	Receiver failing to comply with order made under section 136		$5000 or imprisonment for 1 year or both	
144(10)	Administrative receiver failing to file copy of order made under section 144(2) or (7) with the Registrar		$1000	$100
146(7)	Administrative receiver failing to comply with section 146(Report by administrative receiver)		$2000	
160(4)	Company failing to give liquidator notice of his appointment	$2000	$1000	
177(2)	Liquidator failing to advertise his appointment in accordance with section 177(1)*(a)*		$1000	$100
177(2)	Liquidator failing to file notice of his appointment with Registrar		$1000	$100
177(2)	Liquidator failing to serve notice of his appointment on company		$1000	$100
177(2)	Liquidator failing to serve notice of his appointment on Commission		$1000	$100
178(5)	Liquidator failing to furnish documents or information to creditor as required by section 178(2)		$2000	
178(5)	Liquidator failing to attend first creditors meeting or to report to the meeting on any exercise by him		$2000	

	of his powers since his appointment			
190(3)	Company contravening section 190(1) (Notification of liquidation)	$2000	$1000	
190(3)	Officer, receiver of liquidator of company causing, permitting or acquiescing in contravention by company of section 190(1) (Notification of liquidation)	$2000	$1000	
208(7)	Person making or authorising the making of a claim under section 208 knowing that the claim is false or misleading in a material matter or that a material fact or matter has been omitted from the claim	$7500	$7500 or imprisonment for 2 years or both	
216(4)	Liquidator failing to give notice of disclaimer		$5000	
230(5)	Liquidator failing to comply with order made under section 230(3)		$7500 or imprisonment for 2 years or both	
232(7)	Person failing to file sealed copy of the order terminating liquidation with Registrar		$2000	
259	Disqualified person engaging in prohibited activity	$10,000	$7500 or imprisonment for 2 years or both	
271(5)	Person failing to comply with order made	$10,000	$7500 or imprisonment for 1 year or	

	under section 271(3)		both	
269(4)	Relevant person failing, when required, to submit statement of affairs to office holder together with the verifying affidavit	$3000	$2000	$100
279(3)	Person failing to comply with notice received under section 274(1)	$5000	$4000	
280(1)	Person failing to attend examination ordered to be held under section 277	$7500	$5000 or imprisonment for 1 year or both	
281(1)	Fraudulent conduct within the meaning of section 281(1)*(a)*	$10,000	$10,000 or imprisonment for 3 years or both	
281(1)	Fraudulent conduct within the meaning of section 281(1)*(b)*	$10,000	$10,000 or imprisonment for 3 years or both	
315(5)	Secured creditor failing to account or pay to the trustee the proceeds from any realisation of his security interest in accordance with section 315(3)*(b)*	$4000	$3000	
332(6)	Bankrupt failing to comply with an obligation under section 316 (Duties of bankrupt in relation to his assets and affairs)		$5000 or imprisonment for 1 year or both	
333(2)	Person failing to	$7500	$5000 or	

	comply with an obligation imposed by section 333 (Delivery up by other person)		imprisonment for 1 year or both	
342(3)	Trustee failing to advertise his appointment in accordance with section 342(1)*(a)*		$1000	$100
342(3)	Trustee failing to serve notice of his appointment on bankrupt		$1000	$100
342(3)	Trustee failing to serve notice of his appointment on Commission		$1000	$100
342(3)	Trustee failing to send notice of his appointment to every creditor		$1000	$100
342(3)	Trustee failing to file notice of his appointment with Commission		$1000	$100
342(3)	Trustee issuing advertisement that does not comply with section 342(2)		$1000	
352(7)	Person making or authorising the making of a claim under section 352 knowing that the claim is false or misleading in a material matter; or a material fact or matter has been omitted from the claim	$7500	$7500 or imprisonment for 2 years or both	
370(4)	Undischarged bankrupt or discharged bankrupt whose estate is still being administered failing to do anything that he		$7500 or imprisonment for 2 years or both	

	is directed to do by the High Court in contravention of section 370(2)			
374(4)	Trustee failing to give notice of disclaimer to every person whose rights are, to his knowledge, affected by the disclaimer		$5000	
382(4)	Bankrupt failing to submit a statement of his assets and liabilities in accordance with section 382(1)		$2500 or imprisonment for 6 months or both	
382(4)	Bankrupt submitting a statement of his assets and liabilities that does not comply with the prescribed requirements		$2500 or imprisonment for 6 months or both	
389(1)	Person failing to attend examination ordered to be held under section 386	$7500	$5000 or imprisonment for 1 year or both	
397(2)	Discharged bankrupt failing to give trustee assistance in the realisation and distribution of such of his assets as are vested in his trustee		$5000 or imprisonment for 1 year or both	
405(1)	Bankruptcy offence (non-disclosure)		$7500 or imprisonment for 2 years or both	
406	Bankruptcy offence (concealment of assets) contrary to paragraph *(a)*, *(b)*, *(c)*, *(d)* or *(e)* of section 406		$10,000 or imprisonment for 3 years or both	

407	Bankruptcy offence (concealment of books and papers or falsification) contrary to paragraph *(a)*, *(b)*, *(c)*, *(d)*, *(e)* or *(f)* of section 391		$10,000 or imprisonment for 3 years or both	
408	Bankruptcy offence (false statements) contrary to paragraph *(a)*, *(b)*, *(c)*, *(d)* or *(e)* of section 407		$10,000 or imprisonment for 3 years or both	
409	Bankruptcy offence (fraudulent disposal of assets) contrary to paragraph *(a)* or *(b)* of section 409		$10,000 or imprisonment for 3 years or both	
410	Bankruptcy offence (absconding) contrary to paragraph *(a)* or *(b)* of section 410		$10,000 or imprisonment for 3 years or both	
411	Bankrupt committing bankruptcy offence of fraudulently dealing with assets obtained on credit contrary to section 411(1)		$10,000 or imprisonment for 3 years or both	
411	Person committing bankruptcy offence of fraudulently dealing with assets obtained on credit contrary to section 411(2)		$10,000 or imprisonment for 3 years or both	
412	Bankruptcy offence (obtaining credit; engaging in business) contrary to paragraph *(a)* or *(b)* of section 412(1)		$7500 or imprisonment for 2 years or both	
413(1)	Bankruptcy		$10,000 or	

	offence (failure to keep proper accounts of business) contrary to paragraph *(a)* or *(b)* of section 413(1)		imprisonment for 3 years or both	
414	Bankruptcy offence (gambling) contrary to paragraph *(a)* or *(b)* of section 414		$7500 or imprisonment for 2 years or both	
432	Restricted person engaging in prohibited activity		$7500 or imprisonment for 2 years or both	
487(4)	Person acting as an insolvency practitioner without holding a licence that is not suspended	$10,000 or imprisonment for 2 years or both	$10,000 or imprisonment for 2 years or both	
491(4)	Licensee contravening section 491 (Production of accounts and records)		$7500 or imprisonment for 2 years or both	
497(4)	Person appointing an overseas insolvency practitioner to act as an insolvency practitioner contrary to section 497(3).		$5000	

Printed in Belize by the Government Printer
#1 Power Lane, Belmopan, Belize, C.A.