First Review of the Insolvency (England and Wales) Rules 2016: Call for evidence
R3 response
June 2021

About R3

1. R3 is the trade association for the UK's insolvency, restructuring, advisory, and turnaround professionals. We represent licensed insolvency practitioners, lawyers, turnaround and restructuring experts, students, and others in the profession.

2. Our members work across the spectrum of the profession, from global legal and accountancy firms through to smaller, local practices. Our members have direct experience of insolvencies and their impact on individuals and businesses across the UK.

3. The insolvency, restructuring and turnaround profession is a vital part of the UK economy. The profession promotes economic regeneration, resolves financial distress for businesses and individuals, saves jobs, and creates the confidence and public trust which underpin trading, lending and investment.

4. We have focused this response on those questions and themes in the consultation where we can provide answers based on our members' expertise.

5. We would be delighted to attend further meetings with officials to discuss any points raised below in greater detail. If you would like to meet us or if you have any other queries, please contact R3's Public Affairs and Policy Officer, Pim Ungphakorn, on 020 7566 4202 or at pim.ungphakorn@r3.org.uk.

Overview

6. R3 welcomes the opportunity to respond to this call for evidence on the impact of the 2016 Insolvency Rules, and the way they have worked since coming into force.

7. We have focused the main body of our response on the key policy-related issues which we believe need to be considered by this review, while detailed comments on issues surrounding individual rules are included in the *Appendix*. More than most aspects of the insolvency framework, the Rules and the policies they implement make a fundamental difference to the day-to-day work of the insolvency profession and there is agreement amongst R3 members on the areas which need to be reviewed and addressed.

8. When the Government put forward proposals to modernise the 1986 Insolvency Rules in 2014, we noted that while "we fully support of the aim of the making the Rules clearer, easier to follow and removing inconsistencies", we were concerned that the draft changes "do not achieve this objective". We raised concerns around both new and remaining inconsistencies, and some of the changes adding to – rather than reducing – complexity.

9. Based on feedback from our members, it is clear that some areas of the 2016 Rules have hindered – rather than helped – to provide a better framework for the UK's insolvency regime, for three main reasons.

10. Firstly, there are significant issues related to clarity and consistency. Members have highlighted areas within the Rules which are confusing, where greater clarity is needed, where inconsistencies exist, and where there

is simply too much information for creditors to take on board. In general, there is a sense that creditors are being overloaded with information, while there are also issues relating to *how* information is presented.

11. Secondly, the lack of flexibility around how an insolvency practitioner ('IP') conducts a decision-making procedure has made it harder for IPs to establish effective working relationships with the individuals who may have valuable information about a case, while difficulties in obtaining this information has impacted the ability of IPs to carry out their duties in maximising returns to creditors.

12. Finally, it is clear that the Rules have damaged – rather than improved – creditor engagement. Both of the above themes have a knock-on effect on creditor engagement: information overload, decision-making complexity and inconsistencies have all made it harder for creditors to get involved in insolvency processes.

13. While we understand that this call for evidence seeks responses on how well the Rules have implemented the policies of the Deregulation Act 2015 and the Small Business, Enterprise and Employment Act 2015 – rather than the policies themselves – it is very difficult to assess one without also looking at the other. Given that rule 7 of the Rules "requires the review [of the Rules] to consider whether the underlying policy objectives to which those rules seek to give effect remain appropriate",[1] we would urge the Insolvency Service to also take into account, and act on, stakeholder views on these policies, when carrying out this review. Doing so would not only improve the efficiency of the insolvency profession's work, but crucially improve outcomes and experiences for creditors.

Consolidation and Restructuring of the Rules

Q1. Do the Rules provide an appropriate framework for the UK's insolvency regime?

Q2. Is the framework provided by the Rules clear?

Q3. Does the updated language used in the new Rules improve upon that used in the Insolvency Rules 1986?

Q4. What changes, if any, could be made to ensure that the Rules provide an appropriate framework for the insolvency regime or to improve their clarity?

14. Although one of the primary objectives behind the consolidation and restructuring of the Rules was to increase clarity and remove inconsistencies, issues relating to these two areas remain. These have caused practical problems for our members and discouraged creditors from engaging in insolvency procedures.

15. While much of the updated language is easier to understand when compared to the previous version of the Rules, the 2016 iteration is still fairly difficult to follow for IPs, let alone for other stakeholders less familiar with the content. Members have highlighted areas which are confusing or impractical, where different criteria or approaches are applied to similar things, where duplication exists or where one part of the Rules simply does not match up with others.

16. One particular example, raised by several members, concerns the requirement to obtain from secured creditors, by vote, approval of fees or administration extensions, even when these creditors have already been paid in full. The requirements of Rule 18.18(4) mean that secured creditors have to consent to an IP's initial remuneration, even once the secured creditors have been repaid in full. This relates to the definition of secured creditor in Section 248 of the Insolvency Act 1986, where a secured creditor is defined by reference to 'his debt' and debt is determined at the date of the administration, rather than the date consent is sought.

17. However, from the secured creditor's perspective, their involvement in an insolvency procedure understandably should come to an end once they have been paid, and it is therefore often difficult for IPs to obtain their approval once this has happened. As the Rules cover what the office holder should do in the

[1] Insolvency Service, 'First Review of the Insolvency (England and Wales) Rules 2016: Call for evidence' (March 2021)

situation where an unsecured creditor has been paid, it would be helpful if they could clarify what should be done where a secured creditor has been paid. A potential solution could be for deemed consent to be assumed in a vote where a creditor has already been paid.

18. Other inconsistencies relating to individual rules are listed within the *Appendix* of this response.

19. Additional guidance to help new professionals, creditors, or those less familiar with the Rules to navigate them would be helpful, particularly given the expansion of the "common parts". New entrants or those with less experience within the profession sometimes mistakenly overlook certain sections when unaware that both the common parts and the specific section relevant to a particular insolvency process must be checked.

Presenting information to creditors

20. The volume of information that IPs are required to provide to creditors creates an additional barrier to clarity, confusing creditors, and discouraging them from engaging. Professor Elaine Kempson referred to this issue in her 2013 report on IP fees for the Insolvency Service, noting that the "large proportion of information" now required in creditor progress reports has made it difficult for "even the most experienced and best-informed of unsecured creditors to assess effectiveness of work done".[2] Almost ten years on, there has been no reduction in the amount of information required to be included in creditor progress reports.

21. A simplification of what IPs are required to include within progress reports across the various insolvency procedures would make it much easier for creditors to identify what work has been carried out by the IP on a case, and whether or not the work was adequate. For example, members have noted that a better balance currently exists for Company Voluntary Arrangement ('CVA') progress reports – where the prescribed content is simply commentary on progress and prospects of the arrangement rather than anything additional – in comparison to other procedures.

22. Meanwhile, some members have raised concerns that the abolition of prescribed forms has also hindered – rather than help to increase – clarity and accessibility, as it is easier for creditors to assess whether or not they had all the information that they needed when the information is provided in a uniform format. While many in the profession have adjusted to the change, there appears to be an inconsistency whereby prescribed forms have been abolished for IPs, while Government bodies such as the Insolvency Service, Companies House and HM Courts & Tribunals Service ('HMCTS') still require prescribed templates, indicating their usefulness to external stakeholders.

23. We recognise that the decision to abolish prescribed forms may partly have happened in anticipation of the transition from paper to online systems. We would suggest that the Insolvency Service gives some consideration to adopting a prescribed format that can be used digitally. This would allow creditors to receive information in a uniform format, while maintaining the transition to digital systems.

Implementation of Primary Legislation

Q5. Have the policies in the Deregulation Act 2015 and the Small Business, Enterprise and Employment Act 2015 been fully implemented in the Rules?

Q6. Is the Rules' implementation of Deregulation Act and Small Business Act policies clear?

Q7. Does the Rules' implementation of Deregulation Act and Small Business Act policies operate effectively and efficiently?

Q8. What changes, if any, could be made to improve the clarity, effectiveness or efficiency of the Rules that implement the Deregulation Act and Small Business Act policies?

[2] Kempson, Elaine, 'Review of Insolvency Practitioner Fees: Report to the Insolvency Service' (July 2013), p.24

24. While the Rules do implement the policies of the Deregulation and Small Business Acts, some of these policies have significantly hindered creditor engagement. In particular, the changes related to decision-making procedures and deemed consent have caused difficulties.

Decision-making procedures

25. The lack of flexibility around how an IP conducts a decision-making procedure has created a significant barrier to creditor engagement, and negatively impacted the ability of IPs to carry out their duties in maximising returns to creditors.

26. While a physical creditors' meeting should not be the default in all insolvency cases, they are often a crucial opportunity for IPs to engage with the individuals who may have valuable information about a case. The absence of this opportunity has made it more difficult for IPs effectively carry out their duties to creditors. Furthermore, our members have found that creditors are unlikely to want to compromise or better their rights without the chance to verbally discuss the various options first, meaning that the options for rescuing the business are reduced. CVAs, for example, are less likely to be agreed without a physical meeting.

27. Although virtual meetings have been a helpful option during the COVID-19 pandemic, the appropriate technology does not currently exist to be able to conduct them effectively in many cases, particularly in cases with very large numbers of creditors. The technology to allow for the verification of voting IDs and proxies is still lacking. The alternative to virtual meetings – postal correspondence – can be very costly to the estate in very large cases involving thousands, or tens of thousands, of creditors.

28. It is therefore important that office holders should be allowed the discretion to call a physical meeting where they believe one is necessary. This would save creditors time and money, and better allow IPs to better carry out their duties to creditors.

29. Meanwhile, the requirement for office holders to invite creditors to decide on whether or not there should be a committee every time a decision is posed (except in compulsory liquidations) adds cost and complexity, and has caused unnecessary confusion and annoyance amongst creditors, discouraging them from engaging.

30. A welcome and effective simplification would be for the Rules to simply require office holders to *remind* creditors that the option to vote for a committee exists, rather than to *require* the vote for a committee as a matter of course.

Deemed consent

31. Our members have also reported issues relating to the practicalities around the introduction of deemed consent. It is highly unlikely that a creditor would specifically state in their email that they consent to receiving information by electronic means, so it would be helpful if the deemed consent definition could be expanded to allow an IP to respond electronically to creditor correspondence received by email or an online contact form. Allowing a link to an online contact form to constitute a 'contact detail' would bring the Rules into line with modern business practice.

New Policy

Q9. Are the new policies introduced by the Rules the right ones for a modern, efficient insolvency regime?

Q10. If the new policies introduced by the Rules are not fit for purpose, what alternative policy should be adopted?

Q11. Is the Rules' implementation of new policies clear?

Q12. Does the Rules' implementation of new policies operate effectively and efficiently?

Q13. What changes, if any, could be made to improve the clarity, effectiveness or efficiency of the Rules that implement new policies?

32. While some of the new policies have helped to modernise and simplify the insolvency framework, others have been less successful. There has also been some inconsistency, with some of the changes taking place in some parts of the Rules, but not across all areas.

33. We would reiterate our comments made under points 19 and 20 in relation to the abolition of prescribed forms.

Disclosure of employee and consumer creditor details

34. Furthermore, although the 2016 Rules introduced greater protection for personal information of customers and employees in some areas (e.g. Statements of Affairs which are filed with the registrar of companies in administration, receivership, CVLs and compulsory winding up procedures), greater protection is needed across all areas of the Rules. Members report that employees still frequently express frustration at being required to share their details with other creditors, even when it has been made clear that these will be password protected and not shared in the public domain.

35. With employees and consumer creditors making up a very small proportion of – and therefore unlikely to sway – the vote, it would be helpful if the Rules could make clear across all areas that customers and employees are not required to share their personal information. This would also help ensure that the Rules are consistent with GDPR laws. Another potential solution could be for the details of employees or consumer creditors to only be disclosed if these individuals make up a certain percentage of the vote.

Questions on Specific Topics

Q14. (Rule 1.38) In your estimation, what percentage of creditors choose to opt out of receiving information?

Q15. (Rule 1.38) Could the creditor opt-out process be improved, and if so how?

Q16. (Part 15 Chapter 2) What changes could be made to assist office holders with the decision-making processes?

36. Our members have noted that requests to opt-out are extremely rare, and that the amount of information which must be contained in the opt-out rights notification could in itself be confusing or off-putting for creditors. It would there be helpful if the opting-out process is streamlined or removed entirely. The detail on opting-out is an unnecessary addition when creditors are already provided with a significant amount of information.

Appendix

Alongside the issues cited in the body of our response, a number of problems concerning specific parts or individual rules have been highlighted by R3 members. These are listed below:

Closure processes

- It would be helpful if the Rules could clarify that a closure process can be halted by the office holder writing to creditors to withdraw the final report, as currently there is nothing in statute which will allow a closure process to be stopped if needed (if, for example, the office holder were to receive an unexpected payment into the estate, such as a late HMRC cheque). At present, these processes can only be brought to a halt where a creditor has asked for information or challenged fees or expenses, and IPs working on a time cost basis face difficulty in being paid for any work undertaken in this window, as a final report will have already been issued at the outset.

Distinction between connected party creditors and non-connected party creditors for voting purposes

- There is an inconsistency within the Rules, as the distinction between connected party creditors and non-connected party creditors for voting purposes exists for CVAs but not for CVLs, making it easier for directors to use the intercompany debt for whatever purpose they wish in a CVL. To solve this issue, the Rules could specify that associate connected party votes could be discounted in a CVL.

Corporate Insolvency and Governance Act 2020 changes

- References to the repealed Schedule A1 of the Act need to be removed (mostly found in Part 2) and provision needs to be made for the new Part A1 moratorium.

Brexit amendments

- Rules 2.3(1)(q), 2.25(2A),2.38(2)(d), 3.3, 3.13(1)(i), 3.16(1)(k), 3.21(1)(ii), 3.23(1)(i), 3.24(1)(h), 3.35(1)(i), 7.5(1)(n), 7.6(8), 7.20(1)(g), 7.26(1)(n), 7.28 (6), 7.32(1)(h), 7.35(1)(e)(ii), 8.3(q), 10.51(1)(e)(ii), and 21.4(3)(e) have all been amended post-Brexit, but still require statements that the particular proceedings are either COMI proceedings, establishment proceedings or proceedings where the EU Regulation does not apply. It is not clear what such statement is seeking to achieve given that there is no mutual recognition of insolvency proceedings across the EU even if COMI or establishment proceedings were in the UK. However, Article 4 of the European Insolvency Regulation (as retained) requires that the grounds for jurisdiction are specified as either Article 1 (1A) (a) or (b), so we would suggest that the Rules could be changed to ensure this is satisfied.

Website Usage

- Pre-appointment communication:
    - Sections 246B and 349B, together with Rule 1.50, currently only apply to office holders. This has meant that office holders are only able to communicate with stakeholders through a website after they have been appointed, despite substantial documentation still needing to be posted to stakeholders pre-appointment in some procedures. This is particularly an issue in relation to Creditors' Voluntary Liquidations ('CVL') and Voluntary Arrangement appointments, with the directors' report and statement of affairs having to be posted in a CVL; and the proposals – which are often made up of numerous pages – having to be posted in a Voluntary Arrangement. It would be helpful if the relevant sections and/or rules could be extended to permit pre-appointment website communication in these instances.

- Successive procedures:
    - Section 246B and Section 379B permit the use of a website to give, deliver, furnish or send notice of any other document to information to any person. Rule 1.50(1) states that:

- "the office holder may deliver a notice to each person to whom a document will be required to be delivered in the insolvency proceedings".

- It is unclear whether, when an office holder is acting in relation to a consecutive insolvency proceeding, and has previously given notice under Rule 1.50 in the preceding proceedings, a further notice must be given. Sending a further notice in consecutive proceedings results in an added administrative burden and cost, with little benefit to creditors (by contrast, there is no requirement in a CVL, which follows an administration). We would welcome a similar exclusion for Rule 1.50 notices as that for 'opting out' notices.

Rule 1.35 – Insolvency claims:

- The outcome of the recent case of *Manolete Partners Plc v Hayward and Barrett Holdings Ltd [2021] EWHC 1481 (Ch)* has potentially made it more costly to bring insolvency claims and added a procedural burden by requiring (depending on the nature of the pleaded claims) two sets of proceedings. This could particularly be an issue for smaller value claims, which could tip the cost/benefit scales against pursuing them.[3]

- In order to mitigate this issue, Rule 1.35 should be amended to provide an additional rule (1.35(4)) to the effect that an application may be used to claim additional defined relief (misfeasance/breach of duty brought other than under section 212 of the Insolvency Act 1986; or "any other relief arising out of or in connection with the administration or winding up of a company or the bankruptcy of an individual"); or, less ambitiously, something to the effect that such relief may be included in an insolvency application made seeking relief under Parts 1-11 of the Act. A further alternative would be to (re)define "insolvency proceedings" and allow any such proceedings to be brought by application notice. (This could equally take in a claim under section 423 of the Insolvency Act in an insolvency.)

- The use of an insolvency application is cheaper than issuing a claim form. This is an important consideration in insolvency cases where funding is often a problem. That may be said to be at the expense of HMCTS's ability to recover the maximum court fee, but it is worth bearing in mind that since HMRC has become a preferential creditor, the government may well benefit as much as it loses.

- More importantly, however, IPs will benefit from the faster and more streamlined procedure associated with the use of an insolvency application. The claim form procedure is more cumbersome and costly. The need to issue in two ways that carry different procedural consequences which often have to be reconciled is plainly unnecessary.

- Where an insolvency application is issued before an Insolvency and Companies Court ('ICC') judge, and a claim form for misfeasance has to be issued in the mainstream Chancery list, the recent practice of the Chancery masters has in any event been to transfer the claim form misfeasance proceedings started before them to the ICC judges. The ICC judges then usually direct the claim form proceedings to proceed as if they were brought by application. The proposed (or any similar) change would obviate the necessity for those steps and save time and costs as well as bringing uniformity of procedural approach.

Part 2

- This needs a rule for the registrar of companies to be notified of a change of supervisor. As there is no such rule at present, the public record is incorrect after a change has taken place.

[3] Markham, Rachael, *Pursuing An Insolvency Claim May Be Much More Expensive Following this Recent Decision (UK)* (June 2021)

Rule 2.31

- Rule 2.31 clashes with Rule 15.11. Where a physical meeting is requisitioned to consider a proposal for a CVA, Rule 2.31 requires the meeting to take place within 14 days. If the requisition occurs before or immediately upon notice of a decision procedure being issued, this is inconsistent with the requirement of Rule 15.11 for 14 (clear) days' notice to be given.

- An Individual Voluntary Arrangement ('IVA') equivalent of Rule 2.31 should be included in Part 8 to maintain consistency.

Rule 2.36

- The mentions of members' decisions by correspondence in Rule 2.36 are incorrect. This is a company meeting but it is not a decision of contributories by decision procedure.

    - Rule 2.38(2)(b) appears to carry the same issue (although not so explicitly as in Rule 2.36) in referring to the "…creditors and members…at the meeting or decision procedure (as applicable)…". What it means is "…the creditors participating in the decision procedure and the members at the meeting…".

Rules 2.44(4) and 8.31(5) – "The supervisor must not vacate office until [final filings made]".

- This changed from "shall not" to "must not" in the 2016 Rules, which is not appropriate in this particular context. The use of "must not" implies that there is some further step that the supervisor needs to take to achieve vacation of office, when there is not. We suggest that this should be "The supervisor vacates office when [final filings made]".

Part 3

- The administration final report exists both in Parts 3 and 18, when it only needs to exist in one of these Parts.

Rules 3.24 and 3.25

- Rules 3.24(1)(j) and 3.25(1)(k): The date and time of paragraph 22, administration appointment appearing on the notice to be filed with the court, have been judicially described as a "supreme irrelevance" and should be removed.

Rules 3.17, 3.24 and 3.25

- Rules 3.17(1)(c), 3.24(1)(b) and 3.25(1)(a) should be in the present tense as per the previous forms.

Rule 3.35

- 3.35(1)(e): It is impractical for the statement of proposals to state the date that is delivered to the creditors (before it has even been sent). The document invariably comes in the form of a letter and will be dated. There was no similar requirement in the old Rule 2.33(2) in the 1986 Rules, and it is not obvious why this was added.

Rules 3.38, 4.15, 6.19, 7.55, 10.76

- These should specify that there is no need to ask whether the creditors want a committee if there are no more than five known creditors, a situation which is not uncommon. If fewer than three, it is impossible. If between three and five, forming a committee merely diverts voting from being by value, to 1 creditor 1 vote, and furthermore unnecessarily disenfranchises any who choose not to join.

Rule 3.69

- Where an additional or replacement administrator is appointed, in a paragraph 14 case, (a)(ii) requires the consents of prior qualifying charge holders to be filed with the court along with the notice of appointment, but in a paragraph 22 case, (a)(v) does not require the filing of the consents of qualifying floating charge holders. There is no obvious reason for this inconsistency.

Rule 6.16

- Rule 6.16 rule is unnecessary. In the unlikely event that a newly discovered creditor would be interested in the statement of proposals in the now-superseded administration, they can find it at Companies House.

Rules 6.25, 7.61, 10.67

- These should specify that the replacement appointment takes effect upon the outgoing officeholder's resignation rather than upon the resolution/certification as per normal to avoid a possible overlap of up to five business days, or permanently if the current officeholder decides not to resign after all.

Rule 6.9

- Can the approval by creditors for payment of defined pre-CVL costs be by deemed consent, or should the rule specify use of a decision procedure if the liquidator is paying themselves/their associate?

Rule 7.61

- Rule 7.61 could include a requirement to notify the official receiver (as in the bankruptcy equivalent, Rule 10.77(7)). The notification requirement under Rule 7.62 is matched in bankruptcy by Rule 10.89, so there is an inconsistency between compulsory liquidation and bankruptcy, which could be tidied up one way or the other to avoid confusion as to whether the requirements actually are different.

Rule 7.61

- There is no requirement to notify the registrar of companies of the liquidator's resignation, so the public record is incorrect after this event. There is a requirement to notify the registrar of companies of removal by decision of the creditors (Rule 7.64), by the Secretary of State (Rule 7.66), or by loss of qualification (Rule 7.68), or of death (Rule 7.67), but the registrar has not provided forms for these situations. There is a form, WUC14, for notifying the registrar of removal by court order (Rule 7.65).

Rule 10.77

- This is missing the words that appear in the equivalent Rule 7.61(2) "…must deliver a notice to creditors and…". Rule 10.77(3) refers to "the notice" which is not actually mentioned in Rule 10.77(2).

- Rule 10.77(3)(b) The requirement to state "unless the court orders otherwise" does not match the unconditional Rule 10.77(8).

Rule 15.32

- The vote of a hire purchase creditor is only adjusted in an administration, but not other procedures. This should be adjusted across all procedures.

Rule 15.41(1)(b)

- It is unclear why a distinction is made between EEA incorporated entities and those outside the EEA.

Part 18 – Remuneration:

- The 18-month rule regarding the fixing of the basis of remuneration causes many practical difficulties, is unclear in some respects as to its meaning and appears to serve no useful purpose. If the officeholder

carries out years of work before the basis of their remuneration is fixed, it is the officeholder who is at risk, not the creditors.

- The ability of CVL remuneration to default to schedule 11 scale was introduced in 1986 as an effective way of providing some remuneration in a small case if creditor engagement could not be achieved, the costs of a court application in such a case inevitably being wholly uneconomic. This useful reform was removed without any clear explanation in 2010, and should be reinstated.

- The bands in the schedule 11 scale have not been changed in many decades and accordingly the value of scale has been (and continues to be) eaten away by inflation and are long-overdue for review.

- The requirement to give an estimate of costs to be incurred is very difficult where a prolonged investigation is required with a view to possible litigation. First, it is impossible to make any meaningful estimates other than on the basis of milestones, and secondly, disclosure of the extent of resource that the officeholder is prepared to invest in the investigation and/or litigation may be prejudicial by reason of disclosing that information to the potential defendants.

- The fees estimate, while well intentioned, requires bureaucracy of minutely detailed disclosure and takes very many hours of senior time, while the Impact Statement to the Insolvency (Amendment) Rules 2015 stated that production of a fees estimate should take 15 minutes of junior time. The Rules should merely require a cap to accompany any time-based remuneration resolution. However, it would be helpful if this did not include the requirement for a detailed justification as to how the cap has been chosen, otherwise the underlying problem is not solved.

Rule 18.18(4)

- We re-iterate our comments under points 16 and 17 about the voting process in relation to secured creditors who have been paid in full.

Rule 18.29

- It should be possible to change the basis retrospectively if the officeholder and the creditors agree that an inappropriate basis was chosen previously. In intervention cases, if the original officeholder had a valid remuneration resolution for percentages, a new officeholder taking over the case automatically inherits that resolution, but if having read into the files, it is clear that a time-basis is appropriate for this own role, they will find that they have carried out many weeks of initial work for no remuneration if this amending resolution can be made effective back to the date of his appointment.

Rule 18.3

- Rule 18.3(1)(b) should say “Identification details for the company or bankrupt”, not just “Identification details for the bankrupt”.

Rule 19.2

- Rule 19.2(1)(e) should refer to a trustee in bankruptcy disclaiming “my/our interest”, which the 1986 form got right. The new formulation of disclaiming “the bankrupt’s interest” is wrong as the property has vested in the trustee and the bankrupt has no interest. It may be possible to combine the two as disclaiming “the bankrupt’s interest which has vested in me/us” if that is thought to aid comprehension.