

Distraint and Landlord Enforcement in Insolvency

Insolvency Process	Taking Control of Goods	Use Rent Deposit Deed	CRAR	Peaceable Re-entry (Forfeiture)	Serve Notice on Insolvency Practitioner Requiring Him to Elect Whether to Disclaim Lease
Bankruptcy	No (IA 1986, s.285). If execution has been started but not completed at the time of bankruptcy, all benefits (minus the enforcement officers' fees) must be transferred to the trustee.	Yes.	Yes, where the tenant is an undischarged bankrupt, but only for six months' rent accrued due before the commencement of the bankruptcy. The right to exercise CRAR will cease upon the debtor's discharge from bankruptcy (IA 1986 ss 283(3) and 347).		
IVA – during moratorium	Yes, unless interim moratorium ordered by the court (IA 1986, s.252).	Not without leave of the court.	No, unless permission is granted by the court (IA 1986, s.252).	Not without leave of the court.	Not applicable.
IVA – when approved	No (IA 1986, s.260(2)(b)).	Yes.	No, the landlord will be bound by the terms of the IVA.	Not without leave of the court.	Not applicable.
CVA – during moratorium	No (IA 1986, s.1A).	Not without leave of the court or the administrator's consent, unless deposit is a financial collateral arrangement.	Only with permission of the court (IA 1986, Sch A1, para 12).	Not without leave of the court.	Not applicable.
CVA – when approved	No (IA 1986, s.5(2)).	Yes.	Landlord will be bound by any restrictions in the CVA.	Yes, but exceptions.	Not applicable.
Administrative Receivership/Law of Property Act Receivership	Not applicable.	Yes.	Yes.	Yes.	Not applicable.

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Administration	Not without leave of the court or the administrator.	Not without leave of the court or the administrator's consent, unless deposit is a financial collateral arrangement.	During the interim moratorium, no — unless permission is granted by the court (IA 1986, Sch B1, paras 43 and 44). During the permanent moratorium, no — unless permission is given by the administrator or the court (IA 1986, Sch B1, para 44).	Not without the administrator's consent or leave of the court.	
Liquidation – members/ creditors or voluntary	Yes, but the court can order stay of proceedings.	Yes.	Yes, but the court can restrain exercise of CRAR.	Yes, but the liquidator can apply under IA 1986, s.112.	Yes, 28 days' notice to elect can be delivered (IA 1986, s.178(5)).
Liquidation – compulsory	Not without permission of the court.	Not without leave of the court.	Position differs depending upon whether CRAR is commenced before or after the petition is presented. CRAR commenced before petition presented: Before winding-up order — Court may only restrain exercise of CRAR in special circumstances under IA 1986, s.126; if CRAR completed before winding-up order, it is not void, but a charge in respect of preferential debts under IA 1986, s.176, which will apply if distress completed within three months of order. After winding-up order — Permission of the court required to complete under IA 1986, s.130, which will only be given in special circumstances and on such terms as the court thinks fit. CRAR commenced after petition presented: Before winding-up order — Court may only restrain exercise of CRAR in special circumstances under IA 1986, s.126. On making of a winding-up order — Exercise of CRAR retrospectively made void by IA 1986, s.128 whether or not CRAR already completed. After winding-up order — Court may only validate CRAR and, if still incomplete, allow it to proceed in special circumstances; any validation/permission on such terms as the court thinks fit, but if CRAR already completed and then validated, a charge in respect of preferential debts under IA 1986, s.176 will apply automatically.	Not without the liquidator's consent or leave of the court.	Yes, 28 days' notice to elect can be delivered (IA 1986, s.178(5)).

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