

## EXPLANATORY NOTE

### Application for Administration order

This application is for seeking an administration order from court by the Company/Directors.

### Legal Basis

**Section 532 (1) of the Insolvency Act** sets out the persons who can make an application for an administration order and includes the directors and/or the Company.

### Legal Grounds/Threshold.

In order for the application to succeed, the Applicant has to satisfy the following two conditions as set out under Section 531 of the Insolvency Act; that the company is or is likely to become unable to pay its debts; and that the administration order is reasonably likely to achieve an objective of administration as set out under Section 522 (1) being; to maintain the company as a going concern; to achieve a better outcome for the company's creditors as a whole than would likely to be the case if the company were liquidated (without first being under administration) and to realise the property of the company in order to make a distribution to one or more secured or preferential creditors.

### Remedies/Relief Sought

The Orders to be sought in an application are;

- (a) The Honourable Court be pleased to issue an administration Order in respect of the Company;
- (b) An order for appointment of the proposed administrator;
- (c) An order for service of the application by way of substituted service through advertisement in the local dailies; and
- (d) Costs of this application be in the cause.

### The Processes/Procedure involved

The Application is to be filed by uploading it in the E filing system. **Section 532 (2) (b)** provides that the application is to be served upon a holder of a qualifying floating charge who would otherwise be entitled to appoint an administrator under section 534 of the Insolvency Act. Further, the insolvency regulations at **regulation 101 (b)** provides that the following persons ought also to be served by the application; the official receiver, the Registrar of Companies; the Company; the directors of the companies; and the creditors. Upon service, the same is set down for hearing.