Appointments
There is only one type of IP in Hong Kong. These office-holders have the ability and the right to become office-holders of any insolvency proceedings such as supervisor or trustee of a contractual arrangement between the debtor and creditors; scheme administrator or manager of a scheme of arrangements; receiver and manager; special manager/provisional liquidator of a member or creditors’ voluntary liquidator or compulsory liquidation and trustee in bankruptcy. The same IPs deal with insolvent insurance companies.

Qualifications
There is no general requirement under Hong Kong law for a receiver, liquidator or a trustee in bankruptcy to have a professional qualification or be licensed, and any person who is not (i) an undischarged bankrupt, or (ii) a body corporate can practise as an IP. However, a provisional liquidator appointed in a creditors voluntary liquidation under section 228A of the Companies Ordinance must be either a solicitor or a professional accountant under the Professional Accountants Ordinance.

With regard to compulsory liquidations, the Official Receiver’s Office (ORO) operates two panels the (‘Panel A’ and ‘Panel T’) under which liquidation work has been contracted out to private sector IPs on a rota system. The Panel A scheme is administered jointly by the ORO and the HKICPA. In non-summary compulsory liquidation cases where available assets are likely to exceed HK$200,000, the panel members of the Panel A scheme may be selected to act as liquidators. In summary liquidation cases with assets below this threshold, the Official Receiver may appoint members of the Panel T scheme as provisional liquidators in his place. These panel members have to meet various criteria relating to their experience of dealing with insolvency cases and must show they have the resources to fulfil the duties required of them as a court-appointed liquidator. The requirements for a Panel A member are higher. In practice, most of the IPs are either lawyers or accountants although accountants take up by far the larger share of appointments.

Selection
In a members’ voluntary liquidation (MVL), the members of the company appoint a liquidator of their choice at an Extraordinary General Meeting (EGM). If however a company in a MVL turns out to be insolvent, a meeting of creditors is held and creditors may then appoint any replacement liquidator.

In a creditors’ voluntary liquidation (CVL), members of the company may first nominate an IP as liquidator at an EGM. Creditors of the company may subsequently confirm the members’ appointee as liquidator or appoint another IP in his place at a meeting of creditors. Where in a CVL under section 228A of the Companies Ordinance, the directors of the company may nominate and appoint an IP as a provisional liquidator after the passing of a resolution to wind up the company until the subsequent appointment of a liquidator in the place of the provisional liquidator at meetings of members and creditors.
In a compulsory liquidation, the court may appoint an IP as a provisional liquidator to protect the assets of a company after the filing but before the hearing of the petition. The court will usually consider the petitioner's nomination, if any. Subsequent to the granting of a winding-up order, the court may make any order required to give effect to the appointment of liquidator as determined by the contributors and creditors of the company.

**Supervision**

The court and the Official Receiver have responsibilities to supervise the conduct of court-appointed receivers, liquidators and trustees in bankruptcy and to take appropriate action should a receiver, liquidator or a trustee in bankruptcy fail to perform his duties properly in accordance with, in the case of a receiver or a liquidator, the Companies Ordinance and, in the case of an individual, the Bankruptcy Ordinance.

To the extent that IPs are members of a professional body, they are expected to comply with all professional standards and requirements of and are subject to the regulatory and compliance requirements of those bodies.

In compulsory liquidations a creditor may request the official receiver to examine particular aspects of a compulsory liquidation case or investigate the conduct of an IP in a case generally.

**Remuneration**

The liquidator's remuneration may be paid out of the assets of the company. It may be paid on a time-cost basis, at the standard scale of hourly fees of the scheme as agreed between the ORO and the HKICPA (for Panel A cases), on terms as agreed between the ORO and the Panel T IPs, or as a percentage payable on realisations and distributions as stipulated in the Companies (Winding Up) Rules.

In a CVL, the remuneration of a liquidator is determined by the Committee of Inspection (COI), or if there is no such COI, the creditors. In a compulsory liquidation, the remuneration of a liquidator is subject to the taxation system of the Court in Hong Kong, unless the liquidator has obtained a resolution passed by the COI relating to approval of his remuneration.

Where there is no COI or the COI disallows part or all of the remuneration of a liquidator in a compulsory liquidation, the remuneration of the liquidator will be subject to taxation. The liquidators are required to submit to the court details of items disallowed by the COI and the reasons given, if any.

**Regulation**

The Companies Ordinance, the Companies (Winding Up) Rules, the Bankruptcy Ordinance and the Bankruptcy Rules form the core of Hong Kong’s insolvency legislation. There are also professional standards and ethical guidelines issued by the HKICPA which give guidance to the acceptance and conduct of insolvency work by professional accountants. Generally, IPs have carried out their work to a very high professional standard. Complaints concerning the conduct of IPs have been minimal.