

**THE OFFICIAL RECEIVER
PRACTICE CIRCULAR NO. 1 OF 2025**

**LIQUIDATOR'S SECURITY IN THE WINDING UP OF
A COMPANY BY THE COURT**

Introduction

1 Section 136(a) of the Insolvency, Restructuring and Dissolution Act 2018 (“IRDA”) provides that in a winding up by the court, where a person other than the Official Receiver (“OR”) is appointed liquidator, the person is not capable of acting as liquidator until he or she has notified the Registrar of Companies of the appointment and has given security in the prescribed manner to the satisfaction of the OR.

Provision of security to the Official Receiver

2 Liquidators may provide the necessary security as required under section 136(a) of the IRDA in one of the ways set out in [3] and [4].

Banker’s Guarantee, Insurance Bond or Cash (case-specific)

3 A liquidator may furnish the security in the form of a banker's guarantee, insurance bond or cash in the sum of \$1,000 immediately upon his or her appointment as liquidator of a company. Upon receipt of the \$1,000 security, the OR will issue a certificate (Form CWU-6) under regulation 25(d) of the Insolvency, Restructuring and Dissolution (Court-Ordered Winding Up) Regulations 2020 (“the Regulations”), that the liquidator has given security to the OR's satisfaction. The OR may, if he thinks fit, vary the amount of security given by the liquidator under regulation 25(c) of the Regulations.

Global Banker’s Guarantee or Insurance Bond

4 In the alternative, a liquidator may at any time furnish the security in the form of a global banker's guarantee or insurance bond (“global security”) for a lump sum to the OR. Upon the OR being informed that a liquidator who had previously furnished a global security has now been appointed as a liquidator of another newly wound-up company, a security of \$1,000 will be allocated from the lump sum available under the global security. The OR will thereafter issue the Form CWU-6 to the liquidator. The security of \$1,000 may be varied as the OR thinks fit, under regulation 25(c) of the Regulations. Once the lump sum provided for under the global security is fully allocated, the liquidator must furnish additional security.

Effective date

5 This Practice Circular takes effect on 20 February 2025.

Contact details for queries

6 For queries regarding this Practice Circular, please go to **Contact Us @ OneMinLaw** at www.go.gov.sg/contactminlaw or call 1800-2255-529 (1800-CALL-LAW) during office hours.

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(This Practice Circular is also available on the website of the Ministry of Law - Insolvency Office at <https://io.mlaw.gov.sg>.)