COLLAS CRILL

Attorney General of Trinidad and Tobago v CL Financial Ltd (In Liquidation) [2025] UKPC 41

SEPTEMBER 2025

Court: Privy Council (from the Court of Appeal of the Republic of Trinidad and Tobago)
Subject: Level of detail required in support of approval of liquidators' remuneration on a time basis
Judges: Lord Hodge, Lord Briggs, Lord Leggatt, Lord Stephens, Lord Richards

Summary

In this important decision, the Board carried out a detailed analysis of authorities in a wide range of common law jurisdictions and provided valuable guidance on the level of information liquidators should provide when seeking approval of their remuneration.

The company was wound up, with the Government of Trinidad and Tobago being its largest creditor. The court order setting out the basis of the liquidators' remuneration provided that this would be "on the basis of the reasonable time expended" at hourly rates for different grades of Grant Thornton personnel. The Government challenged the company's application for the liquidators' remuneration, partly on the basis that insufficient information was provided. The Court of Appeal overturned the High Court's approval of the remuneration.

The Board concluded that the liquidators' remuneration report and affidavit evidence provided far from sufficient information in support of their application for approval. Following the filing by the liquidators of further evidence in support, their application is to be re-heard.

- Read the full Privy Council judgment here.

Key principles and guidance

Contrary to the Government's submissions, when dealing with the Government as a creditor, the Court and liquidators must treat it in the same way as other creditors. The Board summarised a number of basic principles that are widely accepted across common law jurisdictions:

1. Liquidators and other officeholders appointed to administer an insolvent estate occupy a fiduciary position and they may not apply assets of the estate for their own benefit without proper authority.
2. Therefore, the burden is on officeholders to justify any remuneration for which they seek approval.
3. It follows that, if after considering the evidence and having regard to the guiding principles there remains any element of doubt, such doubt should be resolved by the Court against the officeholder.

This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.

4. The Court should give weight to the fact that the officeholder is an officer of the Court and, where applicable, is a member of a regulated profession and as such is subject to rules and guidance as to professional conduct. It may be assumed, unless the evidence suggests otherwise, that the officeholder is behaving with integrity. It does not, however, follow that the work undertaken by the officeholder was reasonable and proportionate on an objective basis. That is an issue to be decided by the Court, the creditors' committee or others responsible for approving the remuneration.
5. The remuneration fixed by the Court should be fair and reasonable for the work properly undertaken.

Indeed, in most authorities in relevant jurisdictions, there is an overall requirement that the remuneration be fair and reasonable. This will permit and indeed require the Court to override the result reached by an assessment of time reasonably spent or by the application of a percentage to recoveries or distributions. The Board referred to this general position as remuneration being "at large".

While the Court's order in this case provided for remuneration on a time basis, it also required that the remuneration be "on the basis of reasonable time expended". As such, it was not enough for the liquidators to show that they and their staff worked a certain number of hours. It required them to show that it was necessary or reasonable to have undertaken and continued with that work and that the work was undertaken at an appropriate level of seniority. The consideration in the authorities of the level of renumeration where it is "at large" is relevant to the level of information required to show that reasonable time has been expended.

The issue of the appropriate level of information to be provided to the Court cannot be reduced to a single formula and will always be dictated by the circumstances of the particular case. The two high-level principles are that:

1. there must be sufficient information to enable the Court to have a clear view of what the officeholder has done; and
2. the information should be proportionate to the size of the insolvency and to the cost of preparing the information.

Turning in more detail to proportionality, more detail is, or is likely to be required in a complex liquidation. In a small liquidation, where the circumstances of the liquidation are straightforward and the costs of preparing detailed information could have a material effect on distributions, information on a more general basis will normally be sufficient.

However, liquidators are not required to provide "details of every phone call or email". The level of detail required is not that seen in detailed bills of costs by solicitors for the taxation or assessment of their costs. The Judge at first instance was right to say that the necessary level on information can be "reasonably particularised without necessarily providing every item".

It was accepted that a liquidator is under a duty to keep proper records in relation to time spent. The Board made it clear that the records should be available if specific charges require more detailed justification.

This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.

Certain of the Government's objections were dismissed (e.g. the appointment of corporate directors over subsidiaries).

While it is widely accepted that overhead costs should not generally be charged separately (as they should be included in hourly rates), the relevant Practice Direction provides that if these are exceptionally sought, detailed explanations as to why they should be allowed are required.

This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.

COLLAS CRILL

For more information please contact:



Rocco Cecere
Partner | Cayman
t: +1 345 914 9630 | **e:** rocco.cecere@collascrill.com



Matthew Dors
Partner | Cayman
t: +1 345 914 9631 | **e:** matthew.dors@collascrill.com



Zachary Hoskin
Partner | Cayman
t: +1 345 914 9663 | **e:** zachary.hoskin@collascrill.com



Michael Adkins
Partner (Advocate) | Guernsey
t: +44 (0) 1481 734 231 | **e:** michael.adkins@collascrill.com



David O'Hanlon
Partner (Advocate) | Guernsey
t: +44 (0) 1481 734259 | **e:** david.ohanlon@collascrill.com

This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.