

SCHEDULE 8 INSOLVENCY ETC. OF REGISTERED SOCIAL LANDLORDS

Effect of agreed proposals

- 7 (1) This paragraph applies where proposals made by the Scottish Ministers under paragraph 6 are agreed, with or without modifications, by all the secured creditors of the registered social landlord.
- (2) Once agreed, the proposals are binding on the Scottish Ministers, the landlord, all the landlord's creditors (whether secured or unsecured) and any liquidator, administrative receiver, receiver or administrator appointed in respect of the landlord or its land.
- (3) It is the duty of—
- (a) the members of the committee, where the landlord is an industrial and provident society,
 - (b) the directors, where the landlord is a company registered under the Companies Act 1985 (c. 6),
- to co-operate in the implementation of the proposal; but this sub-paragraph does not require them to do anything contrary to any fiduciary or other duty owed by them.
- (4) The Scottish Ministers must serve a copy of the agreed proposals on—
- (a) the landlord and its officers,
 - (b) the secured creditors of the landlord,
 - (c) the liquidator, administrative receiver, receiver or administrator appointed in respect of the landlord or its land, and
 - (d) where the landlord is an industrial and provident society, the Financial Services Authority,
- and must make such arrangements as they think fit to see that the members, tenants and unsecured creditors of the landlord are informed of the proposals.
- (5) The proposals may be subsequently amended with the consent of the Scottish Ministers and all the landlord's secured creditors.
- (6) Paragraph 6(2) to (5) and sub-paragraphs (2) to (4) of this paragraph apply in relation to the amended proposals as in relation to the original proposals.