

These notes relate to the Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3) which received Royal Assent on 15 January 2007

BANKRUPTCY AND DILIGENCE ETC. (SCOTLAND) ACT 2007

EXPLANATORY NOTES

THE ACT

Commentary

Part 5 – Inhibition

Effect

Section 154 – Inhibition not to confer a preference in ranking

429. This section abolishes the rule that an inhibition confers a preference by exclusion in any sequestration, insolvency proceedings or other process in which there is ranking. Inhibitions no longer confer any preference. However, this section does not affect any preference in a sequestration or proceedings where the inhibition is executed before this section comes into force even if the ranking process itself does not begin until after the section comes into force. Subsection (4) defines “insolvency proceedings”.