



Insolvency Act 1986

1986 CHAPTER 45

PART IX

BANKRUPTCY

CHAPTER IV

ADMINISTRATION BY TRUSTEE

Disclaimer of onerous property

320 Court order vesting disclaimed property.

- (1) This section and the next apply where the trustee has disclaimed property under section 315.
- (2) An application may be made to the court under this section by—
 - (a) any person who claims an interest in the disclaimed property,
 - (b) any person who is under any liability in respect of the disclaimed property, not being a liability discharged by the disclaimer, or
 - (c) where the disclaimed property is property in a dwelling house, any person who at the time when the [F1] bankruptcy application was made or (as the case may be) the] bankruptcy petition was presented was in occupation of or entitled to occupy the dwelling house.
- (3) Subject as follows in this section and the next, the court may, on an application under this section, make an order on such terms as it thinks fit for the vesting of the disclaimed property in, or for its delivery to—
 - (a) a person entitled to it or a trustee for such a person,
 - (b) a person subject to such a liability as is mentioned in subsection (2)(b) or a trustee for such a person, or

Changes to legislation: *Insolvency Act 1986, Section 320 is up to date with all changes known to be in force on or before 18 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (c) where the disclaimed property is property in a dwelling house, any person who at the time when the [^{F2}bankruptcy application was made or (as the case may be) the] bankruptcy petition was presented was in occupation of or entitled to occupy the dwelling house.
- (4) The court shall not make an order by virtue of subsection (3)(b) except where it appears to the court that it would be just to do so for the purpose of compensating the person subject to the liability in respect of the disclaimer.
- (5) The effect of any order under this section shall be taken into account in assessing for the purposes of section 315(5) the extent of any loss or damage sustained by any person in consequence of the disclaimer.
- (6) An order under this section vesting property in any person need not be completed by any conveyance, assignment or transfer.

Textual Amendments

- F1** Words in s. 320(2)(c) inserted (6.4.2016) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\)](#), s. 103(3), [Sch. 19 para. 25\(2\)](#); S.I. 2016/191, art. 2 (with art. 3)
- F2** Words in s. 320(3)(c) inserted (6.4.2016) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\)](#), s. 103(3), [Sch. 19 para. 25\(3\)](#); S.I. 2016/191, art. 2 (with art. 3)

Modifications etc. (not altering text)

- C1** S. 320 applied with modifications by [S.I. 1986/1999](#), art. 3, [Sch. 1 Pt. II](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1986/1999, art. 3, Sch. 1 Pt. 2 by [S.I. 2017/1119 Sch. 3 para. 1](#)
- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 41HB(2) words substituted by [2018 c. 14 s. 1\(3\)\(b\)](#)