



Companies Act 2006

2006 CHAPTER 46

PART 31

DISSOLUTION AND RESTORATION TO THE REGISTER

CHAPTER 2

PROPERTY OF DISSOLVED COMPANY

Effect of Crown disclaimer: England and Wales and Northern Ireland

1015 General effect of disclaimer

- (1) The Crown's disclaimer operates so as to terminate, as from the date of the disclaimer, the rights, interests and liabilities of the company in or in respect of the property disclaimed.
- (2) It does not, except so far as is necessary for the purpose of releasing the company from any liability, affect the rights or liabilities of any other person.

1016 Disclaimer of leaseholds

- (1) The disclaimer of any property of a leasehold character does not take effect unless a copy of the disclaimer has been served (so far as the Crown representative is aware of their addresses) on every person claiming under the company as underlessee or mortgagee, and either—
 - (a) no application under section 1017 (power of court to make vesting order) is made with respect to that property before the end of the period of 14 days beginning with the day on which the last notice under this paragraph was served, or
 - (b) where such an application has been made, the court directs that the disclaimer shall take effect.

Status: This is the original version (as it was originally enacted).

- (2) Where the court gives a direction under subsection (1)(b) it may also, instead of or in addition to any order it makes under section 1017, make such order as it thinks fit with respect to fixtures, tenant's improvements and other matters arising out of the lease.
- (3) In this section the "Crown representative" means—
 - (a) in relation to property vested in the Duchy of Lancaster, the Solicitor to that Duchy;
 - (b) in relation to property vested in the Duke of Cornwall, the Solicitor to the Duchy of Cornwall;
 - (c) in relation to property in Scotland, the Queen's and Lord Treasurer's Remembrancer;
 - (d) in relation to other property, the Treasury Solicitor.

1017 Power of court to make vesting order

- (1) The court may on application by a person who—
 - (a) claims an interest in the disclaimed property, or
 - (b) is under a liability in respect of the disclaimed property that is not discharged by the disclaimer,make an order under this section in respect of the property.
- (2) An order under this section is an order for the vesting of the disclaimed property in, or its delivery to—
 - (a) a person entitled to it (or a trustee for such a person), or
 - (b) a person subject to such a liability as is mentioned in subsection (1)(b) (or a trustee for such a person).
- (3) An order under subsection (2)(b) may only be made 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.
- (4) An order under this section may be made on such terms as the court thinks fit.
- (5) On a vesting order being made under this section, the property comprised in it vests in the person named in that behalf in the order without conveyance, assignment or transfer.

1018 Protection of persons holding under a lease

- (1) The court must not make an order under section 1017 vesting property of a leasehold nature in a person claiming under the company as underlessee or mortgagee except on terms making that person—
 - (a) subject to the same liabilities and obligations as those to which the company was subject under the lease, or
 - (b) if the court thinks fit, subject to the same liabilities and obligations as if the lease had been assigned to him.
- (2) Where the order relates to only part of the property comprised in the lease, subsection (1) applies as if the lease had comprised only the property comprised in the vesting order.

Status: This is the original version (as it was originally enacted).

- (3) A person claiming under the company as underlessee or mortgagee who declines to accept a vesting order on such terms is excluded from all interest in the property.
- (4) If there is no person claiming under the company who is willing to accept an order on such terms, the court has power to vest the company's estate and interest in the property in any person who is liable (whether personally or in a representative character, and whether alone or jointly with the company) to perform the lessee's covenants in the lease.
- (5) The court may vest that estate and interest in such a person freed and discharged from all estates, incumbrances and interests created by the company.

1019 Land subject to rentcharge

Where in consequence of the disclaimer land that is subject to a rentcharge vests in any person, neither he nor his successors in title are subject to any personal liability in respect of sums becoming due under the rentcharge, except sums becoming due after he, or some person claiming under or through him, has taken possession or control of the land or has entered into occupation of it.