



Law of Property Act 1925

1925 CHAPTER 20 15 and 16 Geo 5

PART IV

EQUITABLE INTERESTS AND THINGS IN ACTION

137 Dealings with life interests, reversions and other equitable interests.

- (1) The law applicable to dealings with equitable things in action which regulates the priority of competing interests therein, shall, as respects dealings with equitable interests in land, capital money, and securities representing capital money effected after the commencement of this Act, apply to and regulate the priority of competing interests therein.

This subsection applies whether or not the money or securities are in court.

- (2) (i) In the case of a dealing with an equitable interest in settled land, capital money or securities representing capital money, the persons to be served with notice of the dealing shall be the trustees of the settlement; and where the equitable interest is created by a derivative or subsidiary settlement, the persons to be served with notice shall be the trustees of that settlement.
- (ii) In the case of a dealing with an equitable interest in ^[F1]land subject to a trust of land, or the proceeds of the sale of such land, the persons to be served with notice shall be the trustees.]
- (iii) In any other case the person to be served with notice of a dealing with an equitable interest in land shall be the estate owner of the land affected.

The persons on whom notice is served pursuant to this subsection shall be affected thereby in the same manner as if they had been trustees of personal property out of which the equitable interest was created or arose.

This subsection does not apply where the money or securities are in court.

- (3) A notice, otherwise than in writing, given to, or received by, a trustee after the commencement of this Act as respects any dealing with an equitable interest in real

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or personal property, shall not affect the priority of competing claims of purchasers in that equitable interest.

- (4) Where, as respects any dealing with an equitable interest in real or personal property—
- (a) the trustees are not persons to whom a valid notice of the dealing can be given; or
 - (b) there are no trustees to whom a notice can be given; or
 - (c) for any other reason a valid notice cannot be served, or cannot be served without unreasonable cost or delay;
- a purchaser may at his own cost require that—
- (i) a memorandum of the dealing be endorsed, written on or permanently annexed to the instrument creating the trust;
 - (ii) the instrument be produced to him by the person having the possession or custody thereof to prove that a sufficient memorandum has been placed thereon or annexed thereto.

Such memorandum shall, as respects priorities, operate in like manner as if notice in writing of the dealing had been given to trustees duly qualified to receive the notice at the time when the memorandum is placed on or annexed to the instrument creating the trust.

- (5) Where the property affected is settled land, the memorandum shall be placed on or annexed to the trust instrument and not the vesting instrument.

Where the property affected is land [^{F2}subject to a trust of land], the memorandum shall be placed on or annexed to the instrument whereby the equitable interest is created.

- (6) Where the trust is created by statute or by operation of law, or in any other case where there is no instrument whereby the trusts are declared, the instrument under which the equitable interest is acquired or which is evidence of the devolution thereof shall, for the purposes of this section, be deemed the instrument creating the trust.

In particular, where the trust arises by reason of an intestacy, the letters of administration or probate in force when the dealing was effected shall be deemed such instrument.

- (7) Nothing in this section affects any priority acquired before the commencement of this Act.
- (8) Where a notice in writing of a dealing with an equitable interest in real or personal property has been served on a trustee under this section, the trustees from time to time of the property affected shall be entitled to the custody of the notice, and the notice shall be delivered to them by any person who for the time being may have the custody thereof; and subject to the payment of costs, any person interested in the equitable interest may require production of the notice.
- (9) The liability of the estate owner of the legal estate affected to produce documents and furnish information to persons entitled to equitable interests therein shall correspond to the liability of a trustee for sale to produce documents and furnish information to persons entitled to equitable interests in the proceeds of sale of the land.
- (10) This section does not apply until a trust has been created, and in this section “dealing” includes a disposition by operation of law.

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Textual Amendments

- F1** Words in s. 137(2)(ii) substituted (1.1.1997) by 1996 c. 47, s. 25(1), **Sch. 3 para. 4(15)(a)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art.2**
- F2** Words in s. 137(5) substituted (1.1.1997) by 1996 c. 47, s. 25(1), **Sch. 3 para. 4(15)(b)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art.2**
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Modifications etc. (not altering text)

- C1** S. 137 amended by [Land Registration Act 1986 \(c. 26, SIF 98:2\)](#), s. 5(2)

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

- Act applied by [2023 asc 3 s. 146\(5\)](#)

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

- s. 52(2)(dc)(dd) inserted by [2016 c. 22 Sch. 7 para. 1\(2\)](#)