
STATUTORY INSTRUMENTS

1999 No. 2979

**The Financial Markets and Insolvency
(Settlement Finality) Regulations 1999**

PART III

**TRANSFER ORDERS EFFECTED THROUGH A
DESIGNATED SYSTEM AND COLLATERAL SECURITY**

Disclaimer of property, rescission of contracts, &c

16.—(1) Sections 178, 186, 315 and 345 of the Insolvency Act 1986 (power to disclaim onerous property and court's power to order rescission of contracts, &c) do not apply in relation to—

- (a) a transfer order; or
- (b) a contract for the purpose of realising collateral security.

In the application of this paragraph in Scotland, the reference to sections 178, 315 and 345 shall be construed as a reference to any rule of law having the like effect as those sections.

(2) In Scotland, a permanent trustee on the sequestrated estate of a defaulter or a liquidator or a trustee under a protected trust deed granted by a defaulter is bound by any transfer order given by that defaulter and by any such contract as is mentioned in paragraph (1)(b) notwithstanding section 42 of the Bankruptcy (Scotland) Act 1985 or any rule of law having the like effect applying in liquidations or any like provision or rule of law affecting the protected trust deed.

(3) Sections 127 and 284 of the Insolvency Act 1986 (avoidance of property dispositions effected after commencement of winding up or presentation of bankruptcy petition), section 32(8) of the Bankruptcy (Scotland) Act 1985 (effect of dealing with debtor relating to estate vested in permanent trustee) and any like provision or rule of law affecting a protected trust deed, do not apply to—

- (a) a transfer order, or any disposition of property in pursuance of such an order;
- (b) the provision of collateral security;
- (c) a contract for the purpose of realising collateral security or any disposition of property in pursuance of such a contract; or
- (d) any disposition of property in accordance with the rules of a designated system as to the application of collateral security.