



Aircraft and Shipbuilding Industries Act 1977

1977 CHAPTER 3

PART III

MISCELLANEOUS AND GENERAL

Liabilities, etc.

53 Liabilities of Corporations etc.

- (1) If any sum required by any judgment or order to be paid by a company which at the time of the judgment or order is a wholly owned subsidiary of a Corporation or has at any time since the cause of action arose been such a subsidiary is not paid by the company within the period of 14 days beginning on the date on which execution becomes leviable to enforce the judgment or order, the Corporation shall be liable to pay that sum and that judgment or order shall be enforceable against the Corporation accordingly.
- (2) Where any such sum as is referred to in subsection (1) above is required to be paid in respect of a liability arising under a contract made by the company concerned, the cause of action shall be deemed, for the purposes of this section, to have arisen at the time when the contract was made.
- (3) When a company becomes a wholly owned subsidiary of a Corporation, any person to whom this subsection applies and who is liable in respect of any debt or liability of the company under a contract of guarantee or indemnity made before the company became such a subsidiary shall cease to be so liable.
- (4) The persons to whom subsection (3) above applies are persons who, immediately before the company became a wholly owned subsidiary of the Corporation,—
 - (a) were associated persons, or
 - (b) controlled some other company or body corporate which controlled it.

Status: This is the original version (as it was originally enacted).

- (5) The assets of an acquired company or of any wholly-owned subsidiary of such a company shall be released, upon the date of transfer of that company, from all charges to which they are subject immediately before that date.
- (6) Subject to subsection (7) below, no person shall, in respect of a loan,—
- (a) become entitled to exercise any right, or
 - (b) become subject to any obligation,
- on the ground—
- (i) of the passing of this Act, or
 - (ii) of anything done by virtue of this Act, or
 - (iii) of anything done following the passing of this Act in relation to an acquired company or a wholly owned subsidiary of such a company, or
 - (iv) of anything necessarily resulting from the passing of this Act or from anything done as mentioned in paragraph (ii) or (iii) above.
- (7) Subsection (6) above shall not have effect—
- (a) in relation to any right vested in a person to whom subsection (3) above applies in respect of a loan made by him after the last of the relevant days to an acquired company, or a wholly owned subsidiary of such a company or
 - (b) in relation to any obligation owed to such a person by the debtor in respect of such a loan.