



Insolvency Act 1986

1986 CHAPTER 45

PART IX

BANKRUPTCY

CHAPTER IV

ADMINISTRATION BY TRUSTEE

Acquisition, control and realisation of bankrupt's estate

308 Vesting in trustee of certain items of excess value.

- (1) Subject to [F1section 309], where—
- (a) property is excluded by virtue of section 283(2) (tools of trade, household effects, etc.) from the bankrupt's estate, and
 - (b) it appears to the trustee that the realisable value of the whole or any part of that property exceeds the cost of a reasonable replacement for that property or that part of it,
- the trustee may by notice in writing claim that property or, as the case may be, that part of it, for the bankrupt's estate.
- (2) Upon the service on the bankrupt of a notice under this section, the property to which the notice relates vests in the trustee as part of the bankrupt's estate; and, except against a purchaser in good faith, for value and without notice of the bankruptcy, the trustee's title to that property has relation back to the commencement of the bankruptcy.
- (3) The trustee shall apply funds comprised in the estate to the purchase by or on behalf of the bankrupt of a reasonable replacement for any property vested in the trustee under this section; and the duty imposed by this subsection has priority over the obligation of the trustee to distribute the estate.

Status: Point in time view as at 09/02/2018.

Changes to legislation: Insolvency Act 1986, Section 308 is up to date with all changes known to be in force on or before 06 August 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)

- (4) For the purposes of this section property is a reasonable replacement for other property if it is reasonably adequate for meeting the needs met by the other property.

Textual Amendments

F1 Words substituted by [Housing Act 1988 \(c. 50, SIF 61, 75:1\)](#), s. 140, **Sch. 17 Pt. I para. 73**

Modifications etc. (not altering text)

C1 S. 308 applied with modifications by [S.I. 1986/1999, art. 3](#), **Sch. 1 Pt. II**

Status:

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