



# Insolvency Act 1986

## 1986 CHAPTER 45

The Second Group of Parts Insolvency of Individuals ; Bankruptcy

### PART IX

#### BANKRUPTCY

#### CHAPTER V

EFFECT OF BANKRUPTCY ON CERTAIN RIGHTS, TRANSACTIONS, ETC.

*Adjustment of prior transactions, etc.*

#### **345 Contracts to which bankrupt is a party**

- (1) The following applies where a contract has been made with a person who is subsequently adjudged bankrupt.
- (2) The court may, on the application of any other party to the contract, make an order discharging obligations under the contract on such terms as to payment by the applicant or the bankrupt of damages for non-performance or otherwise as appear to the court to be equitable.
- (3) Any damages payable by the bankrupt by virtue of an order of the court under this section are provable as a bankruptcy debt.
- (4) Where an undischarged bankrupt is a contractor in respect of any contract jointly with any person, that person may sue or be sued in respect of the contract without the joinder of the bankrupt.