



# Agricultural Credits (Scotland) Act 1929

## 1929 CHAPTER 13

### PART II

#### AGRICULTURAL SHORT-TERM CREDITS

##### **6 Effect of agricultural charge.**

- (1) An agricultural charge shall, so long as the charge continues in force, confer on the bank a right of security over the property affected by the charge which, subject as hereinafter provided, may, on the happening of any event specified in the instrument creating the charge as an event authorising such enforcement, be enforced by sequestration and sale of such property in like manner in all respects as in the case of the hypothec of a landlord.
- (2) The right of security conferred by the foregoing subsection shall rank after any right of hypothec competent to the landlord of the society or to the superior of the lands occupied by the society, and on any sequestration and sale at the instance of the bank, the bank shall be bound to pay out of the proceeds of such sequestration and sale to such landlord or superior any sums then due in name of rent or feuduty.
- (3) An agricultural charge shall be no protection in respect of the property affected by it against any process, execution, or diligences for recovery of taxes or rates.
- (4) An agricultural charge shall, so long as the charge continues in force, impose on the society an obligation whenever the society sells any of the property affected by the charge forthwith to pay to the bank the amount of the proceeds of the sale, except to such extent as the charge otherwise provides or the bank otherwise allows; the sums so paid to be applied, except so far as otherwise agreed, by the bank in or towards the discharge of moneys and liabilities secured by the charge.
- (5) Subject to compliance with the obligation so imposed, an agricultural charge shall not prevent the society from selling any of the property subject to the charge, and the purchaser shall not be concerned to see that such obligation is complied with notwithstanding that he may be aware of the existence of the charge.

---

*Status: This is the original version (as it was originally enacted).*

---

- (6) Where any proceeds of sale which in pursuance of such obligation as aforesaid ought to be paid to the bank are paid to some other person, nothing in this Act shall confer on the bank a right to recover such proceeds from that other person, unless the bank proves that such other person knew that the proceeds were paid to him in breach of such obligation as aforesaid.