



Debts Securities (Scotland) Act 1856

1856 CHAPTER 91

An Act to amend and re-enact certain Provisions of an Act of the Fifty-fourth Year of King George the Third, relating to Judicial Procedure and Securities for Debts in *Scotland*. [29th July 1856]

WHEREAS a Bill has been brought into Parliament, intituled *A Bill to consolidate and amend the Laws of Scotland regarding Insolvency and Bankruptcy*, by which it is proposed to repeal the Act passed in the Fifty-fourth Year of the Reign of His Majesty King George the Third, Chapter One hundred and thirty-seven, and it is expedient that certain Provisions therein contained, relating to Judicial Procedure and Securities for Debts in *Scotland* should be amended and re-enacted ;

Be it enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows :

I Effect of Arrestments executed as in the Hands of Persons out of Scotland.

An Arrestment executed to attach the Effects of a Debtor, as in the Hands of a Person out of *Scotland*, shall not be held to have interpellated such Person from paying to the original Creditor, unless Proof be made that he, or those having Authority to act for him, were previously in the Knowledge of such Arrestment having been

II Court of Session may regulate Judicial Sales of Estates. Sales may precede Ranking.

The Court of Session shall have full Power to make Acts of Sederunt for abridging the Forms of Publication and Citation, and regulating the Proceedings in Processes of Sale, Ranking, and Division, whether at the Instance of Creditors or of apparent Heirs; and in every Case of a Sale under the Authority of the Court of Session it shall be lawful for the Purchaser, at any Term of *Whitsunday* or *Martinmas* subsequent to the Term of Payment of the Price, to lodge the Price, with the Interest due upon it, in

any Joint Stock Bank of Issue in *Scotland*, at such Interest as can be procured for it, by doing which, and by giving Notice thereof to the Agent who carried on the Sale, he shall be discharged of the said Price; and further, the Court of Session, upon the Application of any of the Creditors, shall be empowered to make an Order on the Purchaser to lodge the Price and Interest, at any of the said Terms subsequent to the Term of Payment, in one or other of the said Banks, sufficient Intimation being always previously given, both to the Purchaser and to the common Agent for the Creditors, that such Application is made, in order that all Parties may have an Opportunity to object; and in all Cases of Judicial Sales the Lands or other Heritable Property may be brought to actual Sale, so soon as the necessary previous Steps are taken, whether the Ranking be concluded or not, unless the Court, upon Application of any Party concerned, shall find sufficient Cause to delay the Sale.

III What Proof of Insolvency necessary for Sales.

And whereas Doubts have arisen upon the Construction of an Act of the Parliament of *Scotland* passed in the Year One thousand six hundred and ninety, Chapter Twenty, intituled *Act anent the Sale of Bankrupt's Lands*, in so far as it requires that the common Debtor be found bankrupt and utterly insolvent: Be it enacted, That a Judicial Sale at the Instance of Creditors may in all Cases proceed where the Interest of the Debts and the other annual Burdens exceed the yearly Income of the Property under Sale, or where a Sequestration shall have taken place, without other Proof of Bankruptcy or Insolvency.

IV Decree of Sale to be held as a General Decree of Adjudication.

When the Estate of a Debtor is brought into the Court of Session by Process of Judicial Sale and Ranking, the Decree of Sale to be pronounced by the Court shall be held as a General Decree of Adjudication in favour of every Creditor who shall afterwards be included in the Decree of Division ; and the Effect of such General Decree shall be the same in all Competitions, or Questions of Ranking and Preference, as if it had been pronounced and extracted of the Date of the First Calling of the Process of Sale before the Lord Ordinary in the Outer House, and no separate Adjudication shall be allowed to proceed during the Dependence of a Judicial Sale, and the Court is hereby authorized to settle, by an Act or Acts of Sederunt, in what Manner and at what Period or Periods the Principal Sums and bygone Interests of the Debts shall be accumulated, so as to do equal Justice to all concerned: Provided that it shall be competent to any Creditor who is in a Situation to adjudge to carry on the Action of Sale to its Conclusion, although deserted or abandoned by the original Pursuer.

V Different Creditors may be joined in One Adjudication.

And in order to lessen the Number of Adjudications for Debt, and the Expense to all Parties, and to facilitate the *pari passu* Preference of Creditors in similar Circumstances, be it enacted, That the Lord Ordinary officiating in the Court of Session before whom the First Process of Adjudication against any Estate for Payment or Security of Debt is called shall ordain Intimation thereof to be made in the Minute Book and on the Wall, in order that any other Creditors of the common Debtor who at the next Calling of the Cause can show that, although they have not executed their Summonses of Adjudication, they are in other respects, by the Nature of the Grounds of Debt and Steps taken by them, in Condition to proceed in adjudging the common Debtor's Estate, may produce the Instructions of their Debts, with Summonses of

Adjudication, libelled and signetted, for the Purpose of their being conjoined in the Decree of Adjudication, Twenty Sederunt Days being allowed for such Intimation before the Cause can be called a Second Time; and if any of those Forms shall happen to be omitted, such Adjudication shall be null and void, without Prejudice to its being brought forward again in more due Form, or still conjoined with any after Adjudication; and without Prejudice to the Validity and Order of ranking of posterior Adjudications according to the Rules of Law, when any after Process or Processes of Adjudication are brought into Court, the same shall be regulated, as to the Time and Manner of proceeding in them, by an Act or Acts of Sederunt of the Court of Session, so as to provide, as far as Circumstances will admit, for the *pari passu* Preference of such posterior Adjudications with one another, and to abridge the Number and Expense of such Proceedings; and in all Cases where Penalties for Nonpayment, over and above Performance, are contained in Bonds or other Obligations for Sums of Money, and are made the Subject of Adjudication, or of Demand in any other Shape, it shall be in the Power of the Court to modify and restrict such Penalties, so as not to exceed the real and necessary Expenses incurred in making the Debt effectual.

VI Mode of rendering an Adjudication effectual.

And in order to fix more clearly in Time coming what Diligence is necessary to make an Adjudication effectual, be it enacted, That the lodging of a Draft Charter and Note in the Office of the Presenter of Signatures, in Terms of the Act passed in the Tenth and Eleventh Years of the Reign of Her present Majesty, Chapter Fifty-one, when the Holding is of the Crown, or the executing a Charge of Horning against Superiors, when the Holding is of a Subject, and recording a Copy of such Note and an Abstract of such Draft Charter, or such Charge, in the Register of Abbreviates of Adjudications, shall be held in all Time coming as the proper Diligence for the Purpose aforesaid.

VII Securities for Cash Accounts or Credits.

It shall be lawful for any Person possessed of Lands or other Heritable Property, and desiring to pledge the same in Security of any Sums paid or Balances arising or which may arise upon Cash Accounts or Credits, or by way of Relief to any Persons who may become bound with him for the Payment of such Sums or Balances, although paid or arising posterior to the Date of the infetment, to grant Heritable Securities accordingly upon his Lands or other Heritable Property, containing Procuratory of Resignation and Precept of Sasine, for infetting any Bank or Bankers or other Persons who shall agree to give such Cash Accounts or Credits, or for infetting such Persons as shall become Cautioners for him, or jointly bound with him in such Cash Accounts or Credits: Provided always, that the Principal and Interest which may become due upon such Cash Accounts or Credits shall be limited to a certain definite Sum, to be specified in the Security, such definite Sum not exceeding the Amount of the Principal Sum, and Three-Years Interest thereon at the Rate of Five Pounds per Centum : Provided also, that it shall be lawful for the Person to whom any such Cash Account or Credit is granted to operate upon the same by drawing out and paying in such Sums from Time to Time as the Parties shall settle between themselves, and that the Sasines or Infetments taken upon such Heritable Securities shall be equally valid and effectual as if the whole Sums advanced upon such Cash Account or Credit had been paid prior to the Date of the Sasine or infetment taken thereon, and that any such Heritable Security shall remain and subsist to the Extent of the Sum limited, or any lesser Sum, until the Cash Account or Credit is finally closed, and the Balance paid up and discharged, and the Sasine or infetment renounced.