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STATUTORY INSTRUMENTS

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**1986 No. 1915**

**The Insolvency (Scotland) Rules 1986**

**PART 4**

**WINDING UP BY THE COURT**

**CHAPTER 6**

**THE LIQUIDATOR**

*SECTION E: SUPPLEMENTARY PROVISIONS*

**Power of court to set aside certain transactions**

**4.38.**—(1) If in the course of the liquidation the liquidator enters into any transaction with a person who is an associate of his, the court may, on the application of any person interested, set the transaction aside and order the liquidator to compensate the company for any loss suffered in consequence of it.

(2) This does not apply if either -

- (a) the transaction was entered into with the prior consent of the court, or
- (b) it is shown to the court's satisfaction that the transaction was for value, and that it was entered into by the liquidator without knowing, or having any reason to suppose, that the person concerned was an associate.

(3) Nothing in this Rule is to be taken as prejudicing the operation of any rule of law with respect to a trustee's dealings with trust property, or the fiduciary obligations of any person.