



# Bankruptcy and Diligence etc. (Scotland) Act 2007

2007 asp 3

## PART 5

### INHIBITION

#### *Breach*

#### **163 Reduction of lease granted in breach of inhibition**

- (1) This section applies where an inhibited debtor grants a lease of property affected by the inhibition.
- (2) A lease which, on the date an action of reduction of the lease is raised, has an unexpired duration of not less than 5 years is reducible.
- (3) A lease which, on the date an action of reduction of the lease is raised, has an unexpired duration of less than 5 years may be reduced only if the Court of Session is satisfied that it would be fair and reasonable in all the circumstances to do so.
- (4) In calculating the unexpired duration of a lease for the purposes of subsections (2) and (3) above—
  - (a) any provision in the lease (however expressed) enabling the lease to be terminated earlier than the date on which the lease would otherwise terminate must be disregarded; and
  - (b) where the lease includes provision (however expressed) requiring the landlord to renew it, the duration of any such renewed lease must be added to the duration of the original lease.

**Changes to legislation:**

Bankruptcy and Diligence etc. (Scotland) Act 2007, Section 163 is up to date with all changes known to be in force on or before 23 January 2019. 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.

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act applied (with modifications) by [S.I. 2018/1125 reg. 8](#)