



Insolvency Act 1985

1985 CHAPTER 65

PART III

INDIVIDUAL INSOLVENCY

CHAPTER VI

EFFECT OF BANKRUPTCY ON CERTAIN RIGHTS, TRANSACTIONS ETC

Transactions etc.

181 Apprenticeships etc.

- (1) This section applies where—
 - (a) a bankruptcy order is made in respect of an individual to whom another individual was an apprentice or articled clerk at the time when the petition on which that order was made was presented ; and
 - (b) the bankrupt or the apprentice or clerk gives notice to the trustee terminating the apprenticeship or articles.
- (2) Subject to subsection (6) below, the indenture of apprenticeship or, as the case may be, the articles of agreement shall be discharged with effect from the commencement of the bankruptcy.
- (3) If any money has been paid by or on behalf of the apprentice or clerk to the bankrupt as a fee, the trustee may, on an application made by or on behalf of the apprentice or clerk, pay such sum to the apprentice or clerk as the trustee thinks reasonable, having regard to—
 - (a) the amount of the fee ;
 - (b) the proportion of the period in respect of which the fee was paid that has been served by the apprentice or clerk before the commencement of the bankruptcy; and

***Status:** This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

- (c) the other circumstances of the case.
- (4) The power of the trustee to make a payment under subsection (3) above shall have priority over the obligation of the trustee to distribute the bankrupt's estate.
- (5) Instead of making a payment under subsection (3) above, the trustee may, if it appears to him expedient to do so on an application made by or on behalf of the apprentice or clerk, transfer the indenture or articles to a person other than the bankrupt.
- (6) Where a transfer is made under subsection (5) above, subsection (2) above shall have effect only as between the apprentice or clerk and the bankrupt.