



# Moveable Transactions (Scotland) Act 2023

2023 asp 3

## PART 2 **S**

### SECURITY OVER MOVEABLE PROPERTY

## CHAPTER 1 **S**

### PLEDGE

*Property encumbered by statutory pledge: effect of transfer by provider*

PROSPECTIVE

## 55 Acquisition in good faith of motor vehicles **S**

- (1) [Subsections \(2\) to \(4\)](#) apply where—
- there is a sale agreement (including a conditional sale agreement) or a hire-purchase agreement in respect of a motor vehicle,
  - the motor vehicle is encumbered property under a statutory pledge,
  - at the time of entering into the agreement, the purchaser or hirer is not a person carrying on a business described in [section 29\(2\)](#) of the Hire-Purchase Act 1964, and
  - the purchaser or hirer is, at that time, in good faith.
- (2) On the motor vehicle being transferred to the purchaser or hirer in accordance with the agreement, that person acquires it unencumbered by the statutory pledge despite the consent mentioned in [section 51\(2\)](#) not having been obtained.
- (3) And the statutory pledge is not to be enforced against the motor vehicle before the motor vehicle is transferred to the purchaser or hirer in accordance with the agreement.

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*Status: This version of this provision is prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Moveable Transactions (Scotland) Act 2023, Section 55. (See end of Document for details)*

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- (4) But if the transferor is, at the time the agreement is entered into, a person carrying on a business described in section 29(2) of the Hire-Purchase Act 1964, the secured creditor is entitled to receive from the transferor the lesser of—
- (a) the amount outstanding in respect of the secured obligation, and
  - (b) the amount received, or to be received, by the transferor in respect of the acquisition.
- (5) Where the secured creditor receives a sum under [subsection \(4\)](#)—
- (a) the provider’s liability to the secured creditor under the secured obligation is reduced by the same amount, but
  - (b) the transferor has a right of relief against the provider in respect of the sum.
- (6) For the purposes of [subsection \(1\)\(d\)](#), a purchaser or hirer is not to be taken to be other than in good faith by reason only of the statutory pledge having been registered.
- (7) In [this section](#), “conditional sale agreement”, “hire-purchase agreement” and “motor vehicle” have the meanings given by section 29(1) of the Hire-Purchase Act 1964.
- (8) The Scottish Ministers may by regulations specify classes of motor vehicles to which [subsections \(1\) to \(7\)](#) do not apply.
- (9) Regulations under [subsection \(8\)](#) may modify sections [53](#) and [54](#) to provide that either or both of those sections do not apply to some or all of the classes of motor vehicle specified under [subsection \(8\)](#).

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#### **Commencement Information**

- II** S. 55 not in force at Royal Assent, see [s. 121\(2\)](#)

**Status:**

This version of this provision is prospective.

**Changes to legislation:**

There are currently no known outstanding effects for the Moveable Transactions (Scotland) Act 2023, Section 55.