
DRAFT STATUTORY INSTRUMENTS

2012 No.

**The Charitable Incorporated Organisations
(Insolvency and Dissolution) Regulations 2012**

PART 4

APPLICATION OF PROPERTY ON DISSOLUTION UNDER PART 3

Protection of persons holding under a lease

31.—(1) The court must not make an order under regulation 30 vesting property of a leasehold nature in a person (“P”) claiming under the CIO as underlessee or mortgagee except on terms making P—

- (a) subject to the same liabilities and obligations as those to which the CIO was subject under the lease; or
- (b) if the court thinks fit, subject to the same liabilities and obligations as if the lease had been assigned to P.

(2) Where the order relates to only part of the property comprised in the lease, paragraph (1) applies as if the lease had comprised only the property comprised in the order.

(3) A person claiming under the CIO as underlessee or mortgagee who declines to accept a vesting order on such terms is excluded from all interest in the property.

(4) If there is no person claiming under the CIO as underlessee or mortgagee who is willing to accept an order on such terms, the court may vest the CIO’s estate or interest in the property in any person who is liable (whether personally or in a representative character, and whether alone or jointly with the CIO) to perform the lessee’s covenants in the lease.

(5) The court may vest that estate and interest in such person freed and discharged from all estates, incumbrances and interests created by the CIO.