
Changes to legislation: There are currently no known outstanding effects for the Railways Act 2005, Paragraph 10. (See end of Document for details)

SCHEDULES

SCHEDULE 2

TRANSFER SCHEMES

Compensation for third parties

- 10 (1) Where—
- (a) an entitlement of a third party to an interest or right would, apart from a provision of a scheme under section 1(2) and paragraph 2(4) and (5), become enforceable in respect of the transfer or creation in accordance with such a scheme of any property, rights or liabilities,
 - (b) the provisions of that scheme or of paragraph 2(4) and (5) have the effect of preventing the third party's entitlement to that interest or right from being enforced in respect of anything for which the scheme provides, and
 - (c) provision is not made by the scheme for securing that an entitlement to that interest or right, or to an equivalent interest or right, is preserved or created so as to arise and be enforceable in respect of the first occasion when corresponding circumstances next occur after the coming into force of the transfers for which the scheme provides,
- the third party shall be entitled to compensation in respect of the extinguishment of his entitlement.
- (2) The amount of compensation to which a third party is entitled under this paragraph is the amount necessary for securing, to the extent that it is just to do so, that he does not suffer financial loss from the extinguishment of his entitlement.
- (3) A liability to pay compensation under this paragraph shall fall on the Secretary of State.
- (4) In the preceding provisions of this paragraph “third party”, in relation to a scheme, means a person other than the transferor and the transferee.
- (5) This paragraph shall have effect in relation to—
- (a) the provisions of an agreement or instrument entered into or executed in pursuance of an obligation imposed by a scheme under section 1(2), and
 - (b) the provisions of an agreement under paragraph 8 relating to property, rights or liabilities transferred or created in accordance with such a scheme,
- as it has effect in relation to the scheme but as if, in the case of an agreement under paragraph 8, only persons who are not parties to the agreement were third parties.

Commencement Information

- I1** [Sch. 2 para. 10](#) in force at 8.6.2005 for specified purposes by [S.I. 2005/1444, art. 2\(1\)](#), [Sch. 1](#)
- I2** [Sch. 2 para. 10](#) in force at 24.7.2005 in so far as not already in force by [S.I. 2005/1909, art. 2](#), [Sch.](#)

Changes to legislation:

There are currently no known outstanding effects for the Railways Act 2005, Paragraph 10.