



Agricultural Credits Act 1928

1928 CHAPTER 43 18 and 19 Geo 5

PART II

AGRICULTURAL SHORT-TERM CREDITS

7 Effect of floating charge.

(1) An agricultural charge creating a floating charge shall have the like effect as if the charge had been created by a duly registered debenture issued by a company:
Provided that—

- (a) the charge shall become a fixed charge upon the property comprised in the charge as existing at the date of its becoming a fixed charge—
 - (i) upon a [^{F1}bankruptcy order]being made against the farmer;
 - (ii) upon the death of the farmer;
 - (iii) upon the dissolution of partnership in the case where the property charged is partnership property;
 - (iv) upon notice in writing to that effect being given by the bank on the happening of any event which by virtue of the charge confers on the bank the right to give such a notice;
- (b) the farmer,whilst the charge remains a floating charge, shall be subject to the like obligation as in the case of a fixed charge to pay over to the bank the amount received by him by way of proceeds of sale, in respect of other agricultural assets, under policies of insurance, or by way of compensation and the last foregoing section shall apply accordingly: Provided that it shall not be necessary for a farmer to comply with such obligation if and so far as the amount so received is expended by him in the purchase of farming stock which on purchase becomes subject to the charge.

Textual Amendments

F1 Words substituted by [Insolvency Act 1985 \(c. 65, SIF 66\)](#), s. 235, [Sch. 8 para. 6](#)

Changes to legislation:

There are currently no known outstanding effects for the Agricultural Credits Act 1928, Section 7.