ANNO QUADRAGESIMO SEXTO

GEORGII III. REGIS.

CAP CXXXV.

An Act to amend the Laws relating to Bankrupts.

[22d *July* 1806.]

WHEREAS great Inconveniences and Injuſtice have been occaſioned by reaſon of the fair and honeſt Dealings and Tranſactions of and with Traders being defeated by ſecret Acts of Bankruptcy in Caſes not already provided for, or not ſufficiently provided for by Law: for Remedy thereof, be it enacted by the King's moſt Excellent Majeſty, by and with the Advice and Conſent of the Lords Spiritual and Temporal, and Commons, in this preſent Parliament aſſembled, and by the Authority of the ſame, That in all Caſes of Commiſſions of Bankrupt hereafter to be iſſued, all Conveyances, by all Payments by and to, and all Contracts and other Dealings and Tranſactions by and with any Bankrupt, *bonâ fide* made or entered into more than Two Calendar Months before the Date of ſuch Commiſſion, ſhall, notwithſtanding any prior Act of Bankruptcy committed by ſuch Bankrupt, be good and effectual to all Intents and Purpoſes whatſoever, in like Manner as if no ſuch prior Act of Bankruptcy had been committed, provided the Perſon or Perſons ſo dealing with ſuch Bankrupt had not at the Time of ſuch Conveyance, Payment, Contract, Dealing or Tranſaction, any Notice of any prior Act of Bankruptcy by ſuch Bankrupt committed, or that he was inſolvent, or had ſtopped Payment.

In Commiſſions of Bankrupt hereafter to be iſſued, all Conveyances by Payments to and Contracts with any Bankrupt bona fide made Two Months before the Date of the Commiſſion ſhall be good.

II. And be it further enacted, That in all Caſes of Commiſſions of Bankrupt hereafter to be iſſued, all and every Perſon and Perſons with whom the Bankrupt ſhall have really and *bonâ fide* contracted any Debt or Debts before the Date and ſuing forth of ſuch Commiſſion, which, if contracted before any Act of Bankruptcy committed, might have been proved under ſuch

Bona fide Creditors whoſe Debts might have been proved under a Commiſſion of Bankruptcy, if no prior

Act of Bankruptcy had been committed, ſhall be admitted to prove ſuch Debts.

ſuch Commiſſion, ſhall, notwithſtanding any prior Act of Bankruptcy may have been committed by the Bankrupt, be admitted to prove ſuch Debt or Debts, and to ſtand and be a Creditor under ſuch Commiſſion to all Intents and Purpoſes whatever, in like Manner as if no ſuch prior Act of Bankruptcy had been committed by ſuch Bankrupt, provided ſuch Creditor or Creditors had not, at the Time of ſuch Debt or Debts being contracted, any Notice of any prior Act of Bankruptcy by ſuch Bankrupt committed.

For ſetting off Debts where mutual Credit has been given.

III. And be it further enacted, That in all Caſes in which, under Commiſſions of Bankrupt hereafter to be iſſued, it ſhall appear that there has been mutual Credit given by the Bankrupt and any other Perſon, or mutual Debts between the Bankrupt and any other Perſon, one Debt or Demand may be ſet off againſt another, notwithſtanding any prior Act of Bankruptcy committed by ſuch Bankrupt before the Credit was given to, or the Debt was contracted by ſuch Bankrupt, in like Manner as if no ſuch prior Act of Bankruptcy had been committed, provided ſuch Credit was given to the Bankrupt Two Calendar Months before the Date and ſuing forth of ſuch Commiſſion, and provided the Perſon claiming the Benefit of ſuch Set-off had not at the Time of giving ſuch Credit any Notice of any prior Act of Bankruptcy by ſuch Bankrupt committed, or that he was inſolvent or had ſtopped Payment: Provided always, that the iſſuing of a Commiſſion of Bankrupt againſt ſuch Bankrupt, although ſuch Commiſſion ſhall afterwards be ſuperſeded, or the ſtriking of a Docket for the Purpoſe of iſſuing a Commiſſion againſt ſuch Bankrupt, whether any Commiſſion ſhall have actually iſſued thereupon or not, ſhall be deemed Notice of a prior Act of Bankruptcy for the Purpoſes of this Act, if it ſhall appear that an Act of Bankruptcy had been actually committed at the Time of iſſuing ſuch Commiſſion or ſtriking ſuch Docket.

What ſhall be deemed Notice of a prior Act of Bankruptcy.

Bankrupts on obtaining their Certificates diſcharged of Debts proveable under the Commiſſion.

IV. And be it further enacted, That all Perſons againſt whom any Commiſſion of Bankrupt ſhall hereafter iſſue, and who ſhall be duly found Bankrupts under the ſame, ſhall upon obtaining his, her, or their Certificate, be diſcharged of and from all Debts by this Act made proveable under ſuch Commiſſion, and ſhall have the Benefit of the ſeveral Statutes now in force againſt Bankrupts, in like Manner, to all Intents and Purpoſes, as if ſuch ſecret Acts of Bankruptcy had not been committed prior to the contracting of ſuch Debts.

Commiſſions of Bankrupt not to be avoided by reaſon of any prior Act of Bankruptcy being committed before the Contraction of any Debt due to a petitioning Creditor.

V. And be it further enacted, that no Commiſſion of Bankrupt that ſhall be hereafter iſſued, ſhall be avoided or defeated by reaſon of any Act of Bankruptcy having been committed, by the Perſon or any of the Perſons againſt whom ſuch Commiſſion ſhall have iſſued, prior to the contracting the Debt of the Creditor or any of the Creditors upon whoſe Petition ſuch Commiſſion ſhall have iſſued, if ſuch petitioning Creditor had not any Notice of ſuch Act of Bankruptcy at the Time when the Debt to him was contracted; but that ſuch Commiſſion of Bankrupt and all the Proceedings under the ſame ſhall be valid and effectual to all Intents and Purpoſes, notwithſtanding that ſuch prior Act or Acts of Bankruptcy ſhall have been committed by ſuch Bankrupt.

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