

Debts which may be proved

620. (1) Subject to the provisions of this section, in a winding up (subject, in the case of insolvent companies, to the application in accordance with the provisions of this Act of the law of bankruptcy) the following shall be admissible to proof against the company:

(a) all debts payable on a contingency; and

(b) all claims against the company, present or future, certain or contingent, ascertained or sounding only in damages;

a just estimate being made, so far as possible, of the value of such debts or claims which may be subject to any contingency or which sound only in damages, or for some other reason do not bear a certain value.

(2) The value of such debts and claims as are made admissible to proof by subsection (1) shall, as far as possible, be estimated according to the value thereof at the date on which the winding up shall be deemed to have commenced by virtue of section 589 or 590, as the case may be (referred to subsequently in this section as the “commencement date”).

(3) When any rent or other payment falls due at stated times and the order or resolution to wind up is made at any time other than at one of those times, the persons entitled to the rent or payment may prove for a proportionate part of it up to the commencement date as if the rent or payment accrued due from day to day but this is subject to subsection (4).

(4) Where the liquidator remains in occupation of premises demised to a company which is being wound up, nothing in subsection (3) shall affect the right of the landlord of such premises to claim payment of rent during the period of the company's occupation after the commencement of the winding up.

(5) Subsection (6) applies to a debt or sum if all of the following conditions are satisfied in respect of it:

(a) it is a debt or sum certain;

(b) it is payable at a certain time or otherwise;

(c) interest on it is not reserved or agreed for; and

(d) it is overdue at the commencement date.

(6) The creditor may prove for interest on a debt or sum to which this subsection applies at a rate, not exceeding the appropriate rate, for the period up to the commencement date and beginning—

(a) if the debt or sum is payable by virtue of a written instrument at a certain time—at the time when the debt or sum was so payable, and

(b) if the debt or sum is payable otherwise — at the making of a demand in writing in respect of it, being a demand giving notice that interest will be claimed from the date of the demand until the time of payment.

(7) A creditor may prove for a debt not payable at the commencement date as if it were payable presently, and may receive dividends equally with the other creditors, deducting only thereout a rebate of interest at the appropriate rate computed from the declaration of a dividend to the time when the debt would have become payable according to the terms on which it was contracted.

(8) Unless the company's constitution or the conditions of issue of the shares in question provide otherwise, dividends declared by a company more than 6 years preceding the commencement date, being dividends which have not been claimed within that period of 6 years, shall not be a claim admissible to proof against the company for the purposes of the winding up.