

Payment by third person to creditor post period of protection — statutory subrogation in favour of third person in certain circumstances

550. (1) This section applies where the third person makes a payment to the creditor in respect of the liability after the period of protection in relation to the company concerned has expired.

(2) Where this section applies any amount that would, but for the foregoing payment, be payable to the creditor in respect of the debt under a compromise or scheme of arrangement that has taken effect under section 542 (3) in relation to the company shall become and be payable to the third person upon and subject to the same terms and conditions as the compromise or scheme of arrangement provided that it was to be payable to the creditor.