

Provisions consequent on section 698 regarding secured creditors: deemed surrender of security, etc.

699. (1) A secured creditor who, at a meeting to which section 698 (2) applies, votes in respect of the whole debt due to him or her shall be deemed to surrender his or her security unless the court, on application to it, is satisfied that the omission to value the security has arisen from inadvertence.

(2) The liquidator may, within 28 days after the date of there being used the proof or statement referred to in section 698 (7) or (8) for the purpose of voting at a meeting to which section 698 (2) applies, require the creditor concerned to give up the security for the benefit of the creditors generally on payment to the creditor of the value estimated in that proof or statement.

(3) However the creditor concerned may, at any time before being so required to give the security up, correct the valuation so estimated by furnishing a new proof to the liquidator and may deduct the new value from the debt due to him or her.