

Protection of creditors and allocation of liabilities

501. (1) A creditor of any of the companies involved in a division who, at the date of publication of the notice under section 494 (2)(b) is entitled to any debt or claim against the company, shall be entitled to be heard in relation to the confirmation by the court of the division under section 503.

(2) Without prejudice to subsection (3), where—

(a) a liability of the transferor company is not allocated by the common draft terms of division, and

(b) it is not possible, by reference to an interpretation of those terms, to determine the manner in which it is to be allocated,

the liability shall become, jointly and severally, the liability of the successor companies.

(3) If provision is not made by the common draft terms of division for the allocation of a liability incurred by, or which otherwise becomes attached to, the transferor company on or after the date of those draft terms then, subject to any provision the court may make in an order under section 503, the liability shall become, jointly and severally, the liability of the successor companies.