

71. Interest on debts

- (1) Where a bankruptcy debt bears interest, that interest is provable as part of the debt except in so far as it is payable in respect of any period after the commencement of the bankruptcy.
- (2) Any surplus remaining after the payment of debts that are proved in bankruptcy shall, before being applied for any other purpose, be applied in paying interest on those debts in respect of the periods during which they have been outstanding since the commencement of the bankruptcy; and interest on preferential debts ranks equally with interest on debts other than preferential debts.
- (3) The rate of interest payable under subsection (2) in respect of any debt is whichever is the greater of the following—
 - (a) the rate specified under section 49 of the High Court Ordinance (Cap. 4) at the commencement of the bankruptcy; and (*Amended 17 of 2018 s. 35*)
 - (b) the rate applicable to that debt apart from the bankruptcy.
- (4) On any debt or sum certain, payable at a certain time or otherwise, whereon interest is not reserved or agreed for, and which is overdue at the date of the commencement of the bankruptcy, the creditor may prove for interest, at a rate not exceeding the rate specified under section 49 of the High Court Ordinance (Cap. 4), to that date from the time when the debt or sum has become payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made, giving notice that interest will be claimed from the date of the demand until the time of payment. (*Amended 17 of 2018 s. 35*)

(Replaced 76 of 1996 s. 44)