

*These notes relate to the Bankruptcy and Debt Advice (Scotland) Act 2014 (asp 11) which received Royal Assent on 29 April 2014*

# **BANKRUPTCY AND DEBT ADVICE (SCOTLAND) ACT 2014**

---

## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### ***Payments by debtor following sequestration***

#### ***Section 3 – Debtor’s contribution: common financial tool***

8. This section inserts a new section 5D into the 1985 Act which gives the Scottish Ministers the power to provide in regulations for a common financial tool for calculating the method used to assess the debtor’s income, the amount allowed to the debtor for expenditure and the amount of the debtor’s contribution (if any). An individual debtor is required to undertake to pay the contribution determined by the common financial tool in applying for sequestration or where the debtor did not apply for sequestration in the assessment following sequestration by a creditor. The Common Financial Tool etc. (Scotland) Regulations 2014<sup>1</sup> make the Common Financial Statement published by the Money Advice Trust, operated in accordance with the regulations, the common financial tool to be used for the purposes of the 1985 Act. The 2002 Act is also amended by section 3(2) to allow the tool to work with the DAS scheme<sup>2</sup>.

---

<sup>1</sup> S.S.I. 2014/290 as amended by the Common Financial Tool etc. (Scotland) Amendment Regulations 2015.

<sup>2</sup> See the Debt Arrangement Scheme (Scotland) Regulations 2011 (S.S.I. 2011/141, amended by S.S.I. 2013/225) as amended in particular by regulations 4 and 8 and Schedule 1 to S.S.I. 2014/294.