

## **EXPLANATORY NOTES**

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

#### **INTRODUCTION**

#### **THE ACT**

##### **Overview**

#### **COMMENTARY ON SECTIONS**

##### **Advice and education**

Section 1 – Sequestration of estate of living debtor: money advice

Section 2 – Financial education for debtor

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

Section 3 – Debtor's contribution: common financial tool

Section 4 – Debtor contribution order

##### **Sequestration where debtor has few assets**

Section 5 – Debtor application

Section 6 – Circumstances where Accountant in Bankruptcy appointed as trustee

Section 7 – Discharge, conditions etc.

##### **Moratorium on diligence**

Section 8 – Moratorium on diligence

##### **Application for sequestration**

Section 9 – Statement of undertakings

Section 10 – Debtor application: incomplete or inappropriate application

Section 11 – Sequestration: application by executor

Section 12 – Concurrent proceedings for sequestration: recall

Section 13 – Debtor's bank account

##### **Administration of estate**

Section 14 – Submission of claims to trustee

Section 15– First accounting period

Section 16 – Vesting of estate after sequestration

### **Discharge following sequestration**

Section 17 – Discharge of debtor

Section 18 – Repeal of discharge on composition

Section 19 – Deferral of discharge where debtor cannot be traced

Section 20 – Unclaimed dividends and unapplied balances

Section 21 – Assets discovered after trustee discharge: appointment of trustee

### **Records**

Section 22 – Register of insolvencies

Section 23 – Sederunt book

Section 24 – Abolition of certain requirements in relation to Edinburgh Gazette

### **Functions of sheriff and Accountant in Bankruptcy in sequestration**

Section 25 – Application by trustee for direction on matters in sequestration

Section 26 – Recall of sequestration by sheriff

Section 27 – Recall of sequestration by Accountant in Bankruptcy

Section 28 – Appointment of replacement trustee

Section 29 – Replacement of trustee acting in more than one sequestration

Section 30 – Removal of trustee and trustee not acting

Section 31 – Removal of commissioner

Section 32 – Contractual powers of trustee

Section 33 – Bankruptcy restrictions order

Section 34 – Conversion of a protected trust deed into sequestration

Section 35 – Power to cure defects in procedure

Section 36 – Regulations: applications to Accountant in Bankruptcy etc.

Section 37 – Valuation of debts depending on contingency

### **Review of decisions made by Accountant in Bankruptcy**

Section 38 – Review of decisions about interim trustee

*These notes relate to the Bankruptcy and Debt Advice (Scotland) Act 2014 (asp 11)*

Section 39 – Review of decision not to award sequestration

Section 40 – Review of decisions about replacement trustee

Section 41 – Review of decisions about adjudication of creditor’s claims

Section 42 – Review of decision about discharge of trustee

Section 43 – Appeals against decisions on review

#### **Miscellaneous amendments**

Debt arrangement schemes: extension to non-natural persons and fees

#### **General**

Section 55 – Ancillary provision

Section 57 – Commencement

#### **Schedules**

Schedule 1 (‘minimal asset’ debtors with few assets)

Schedule 2 (Sederunt book)

Schedule 3 (minor and consequential amendments)

Schedule 4 (repeals)

**Miscellaneous subordinate legislation connected to implementation of the Act**

#### **PARLIAMENTARY HISTORY**