



# Bankruptcy (Scotland) Act 2016

## 2016 asp 21

### PART 14 **S**

#### VOLUNTARY TRUST DEEDS FOR CREDITORS

##### *Effect of protected status etc.*

#### **172 Effect of protected status: general **S****

- (1) Where a trust deed has protected status then—
  - (a) subject to section 177, a creditor who (either or both)—
    - (i) is not a notified creditor, or
    - (ii) notified the trustee, during the relevant period, of objection to the trust deed,  
has no higher right to recover the debt than a creditor who has acceded to, or been deemed by virtue of section 170(2) to have acceded to, the trust deed, and
  - (b) an application for sequestration of the debtor's estate may not be made by the debtor while the trust deed subsists.
- (2) A creditor ceases to be deemed (by virtue of section 170(2)) to have acceded to a trust deed if the trustee refuses a request by the debtor to apply to AiB for discharge in terms of section 184(8).
- (3) Where a secured creditor's agreement has been obtained by virtue of section 166(2) (b) and the trust deed becomes a protected trust deed, that creditor is not entitled—
  - (a) to make a claim under the protected trust deed for any of the debt in respect of which the security is held,
  - (b) to do diligence against the assets conveyed to the trustee under the protected trust deed, or
  - (c) to petition for the sequestration of the debtor during the subsistence of the protected trust deed.

#### **Commencement Information**

**II** S. 172 in force at 30.11.2016 by [S.S.I. 2016/294](#), [reg. 2](#)

**Changes to legislation:**

Bankruptcy (Scotland) Act 2016, Section 172 is up to date with all changes known to be in force on or before 25 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 78(2)(a) words in s. 78(2) renumbered as s. 78(2)(a) by [2019 asp 4 s. 7\(2\)\(a\)](#)
- s. 78(2)(b) and word inserted by [2019 asp 4 s. 7\(2\)\(b\)](#)