



To Trustees

By email only

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Our Ref AiB/OPC/GP1
Your Ref

Date: 28 June 2017

Dear Trustee

This Dear Trustee letter has been issued to bring to your attention a matter that the Accountant in Bankruptcy (the Accountant) believes needs to be addressed and will be helpful in the administration of bankruptcies.

I would be grateful if you could make the content of this letter known to all of your staff who administer bankruptcies on your behalf.

1. **Costs of an application to be paid as an expense of the estate**

The Accountant has been advised that a number of trustees are not aware that if they wish their costs for submitting an application to the Accountant to be paid as an expense of the sequestration, they must request this as a crave on the Form 1, Application Form.

If such a crave is not made, then these costs may be disallowed if later claimed through the bankruptcy accounts.

If you wish to claim for your application costs to be allowed as an expense of the sequestration, you must include this with your application craves and provide:

- an explanation why you believe it is appropriate for your costs to be paid as an expense, and,
- if the application is required due to non-cooperation by the debtor, information about the actions you have taken to try and obtain the debtor's cooperation.

I refer to the Accountant's Dear Trustee letters dated [2 December 2015](#) and [19 July 2016](#).

If you have already submitted an application(s) to the Accountant, and did not, as intended, crave for your costs to be paid as an expense of the bankruptcy and these have subsequently been refused as a cost of the sequestration following submission of the case accounts, you may request retrospective approval of these costs on submission of the next accounts.

You may include in the next accounts, the amount of your application costs that you wish paid as an expense of the bankruptcy. A detailed SIP9 should be included with your account. You must also provide an explanation why you believe the Accountant should approve this request and, if the debtor has not been cooperating, detail the actions you have taken to try and gain the required cooperation.

The Accountant will only consider retrospective approval of costs for applications determined by the Accountant prior to the date of this Dear Trustee letter.

As the Accountant will be making this decision as part of the determination of your bankruptcy remuneration and outlays, there will be no right of review of this decision, but the decision can be appealed in accordance with Section 53(6) of the Bankruptcy (Scotland) Act 1095, as amended/Section 134(1) of the Bankruptcy (Scotland) Act 2016.

If we have not yet determined an application you have submitted, please contact the Accountant's Adjudication and Supervision Team at ast@aib.gsi.gov.uk or on: 0300 200 2916, if you now wish to withdraw the application so you can resubmit it with an added expenses crave. You will not be charged a fee if your application is withdrawn.

If you have any questions regarding the information provided in this Dear Trustee Letter or about what the Accountant requires you to do as trustee, please do not hesitate to contact me.

Yours sincerely



Graeme Perry
Head of Operational Policy and Compliance