

To all trustees

Our Ref: AiB/RD

Your Ref:

Date 20 March 2020

Dear Trustee

## COVID-19 – expanded PTD Contingency Arrangements

Since we published our Dear Trustee letter detailing AiB's response to the COVID-19 pandemic, a number of organisations have made contact with us to express their thanks for the measures we have put in place. We appreciate this positive response and were also heartened to hear that trustees already intended to alter their internal case management policies to take account of these exceptional circumstances.

We asked if there were any other measures we should consider to help support trustees during this period and we have already received some helpful feedback relating to Protected Trust Deeds (PTDs). As such, we have decided it is appropriate to provide more guidance on how we expect trustees to deal with PTD debtor contributions and discharges in the weeks and months ahead.

### Contributions

[Section 168 of the Bankruptcy \(Scotland\) Act 2016](#) (the Act) sets the PTD contribution period at 48 months from the date the trust deed is signed. Trustees are empowered to increase the duration where the debtor has failed to meet their payment obligations. AiB believes it would be reasonable for trustees to decide not to increase the duration of PTDs where a causal link exists between non-payment and the COVID-19 pandemic. Whilst we recognise that ultimately this is a matter for individual trustees to consider, we are conscious that trustees may seek directions from AiB in this regard, so we believe it is appropriate for us to clarify our position.

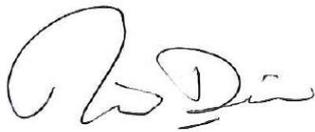
### Debtor Discharge

[Section 184 of the Act](#) allows the trustee to apply to AiB for the debtor to be discharged from their debts if satisfied that relevant obligations have been met and the debtor has co-operated during the administration.

In light of current circumstances we wish to draw trustees' attention to section 8.1.4 of our [PTD Notes for Guidance](#), as it is likely a significant proportion of debtors may be unable to meet their payment obligations moving forward, due to factors beyond their control:

*'It would not be appropriate to refuse to discharge a debtor because of circumstances beyond their control, such as a change of circumstances which prevents them from paying any contribution payable under section 168 of the 2016 Act'.*

Again, we appreciate trustees are responsible for these decisions but we hope that re-iterating our guidance will be helpful.



Richard Dennis  
Accountant in Bankruptcy