

All Trustees - By email only

Our Ref FC/OPC/PTD

Date 22 June 2015

Dear Trustee

### Consigned Funds and Form of Receipt

As you are aware, Accountant in Bankruptcy (AiB) has a supervisory role in the insolvency process and regularly receives management information on the administration of protected trust deeds, which identifies trends across the sector. We have noted that during 2014/2015 a significant number of unclaimed dividends have been consigned to AiB for protected trust deeds.

Section 9.7 of the various versions of the AiB Notes for Guidance for Trustees in Protected Trust Deeds, states that it is expected that the Trustee will make all efforts to ensure that monies are accepted by the creditors before consigning funds to AiB. The guidance also advises that there is no statutory requirement for the Trustee to obtain a Form of Receipt from a creditor prior to the payment of a dividend and funds should not be consigned for this reason.

Despite our guidance, we have received reports from creditors that some trustees still insist on the completion of a Form of Receipt before a dividend is paid. Whilst we recognise that it can be a challenge to ensure creditor engagement in the dividend process, we do not believe that the continued use of the Form of Receipt process is appropriate.

We would be grateful if you could take AiB's guidance into consideration when dealing with the distribution of dividends and consignment of unclaimed dividends for protected trust deeds. AiB will continue to monitor this area and will consider issuing a direction to Trustees where we are made aware that the Form of Receipt process continues to be applied as a pre-condition of dividend payment. We appreciate your co-operation in this matter.

I would be very grateful if you could bring the content of this letter to the attention of all staff who are involved in the administration of Protected trust deeds.

Yours faithfully

Fiona Coyle  
Head of Compliance

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