

The Trustee  
By email

Our Ref GP/OPC  
Your Ref  
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Date 18 February 2013

Dear Trustee

## Important Notice

### Late submission of sequestration accounts.

#### Requirement to obtain permission from a sheriff to submit late accounts.

The Accountant in Bankruptcy (The Accountant) has revised her policy concerning acceptance of sequestration accounts. This applies to accounts that are submitted to her, by the trustee, after the end of the two week period specified under Section 53(1) of The Bankruptcy (Scotland) Act 1985, as amended (the Act).

I am writing to inform you that, **from 1 April 2013**, The Accountant will not determine any sequestration accounts which are submitted to her after the statutory two week period has passed, unless you have first obtained permission from a sheriff to submit the accounts late.

If you become aware that you will not be in a position to submit a set of accounts to The Accountant within the two week specified period, you must either:

- Submit an application to extend the accounting period (excludes 1<sup>st</sup> accounts), using the appropriate B2 Form; or
- Submit an application to the appropriate Sheriff Court under Section 63(1) of the Act, to obtain a sheriff's authority to present the accounts late.

All B2 applications to extend the accounting period must be submitted to the Accountant for approval, prior to the end of the accounting period you wish extended.

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Late applications to extend can not be approved. It is therefore recommended that you apply to extend an accounting period as soon as you become aware this is required.

Annex A to this letter provides additional information about what The Accountant will require from you, regarding your sequestration accounts.

### **Determination of accounts and appeals**

Any delay in submitting accounts after the two week period will reduce the time The Accountant has to determine your accounts. This must be done within the six week period after the end of the accounting period (Section 53(3) of the Act). Late account submissions also have the effect of reducing the time available for appeals against the determination, in accordance with Section 53(6) of the Act.

In your Section 63(1) application for the late accounts you should also seek the sheriff's authority to:

- Extend the period within which the Accountant can determine your late accounts, to at least four weeks after the date you have requested the sheriff approve for the late submission of your accounts.
- Extend the period during which an appeal can be made against the determination of the trustee's fees and outlays. The two week appeal period will commence on expiry of the six weeks after the date you have requested the sheriff approve for the late submission of your accounts.

The Accountant is aware that the introduction of this change in her operational policy may have an impact on your operations, so she is keen to improve and increase the electronic communication of documents between our offices. The Accountant has introduced a Secure File Transfer process and a new electronic Accounts Workbook which is currently being utilised in some Insolvency Practitioners' offices.

If you would like to know more about the Secure File Transfer process, and/or the electronic Accounts Workbook, please contact Gillian Boyd, Accounts Team Leader, on 0300 200 2762, or at: [gillian.boyd@aib.gsi.gov.uk](mailto:gillian.boyd@aib.gsi.gov.uk).



If you have any questions regarding this revised policy for accounts and the processes you should now follow, please contact me.

I would be grateful if you would bring the content of this Dear Trustee letter to the attention of all your staff who are involved in the administration of your sequestrations.

Yours sincerely

Graeme Perry  
Head of Compliance

## Annex A

### Submission of sequestration accounts.

#### Accountant in Bankruptcy – accounts requirements

This Annex provides additional information on the process, conditions and timelines for submission, determination and appeal of sequestration accounts.

If you are unable to comply with the requirements listed, The Accountant may not be able to either determine your accounts, or determine your accounts within the statutory time period.

- The first counting day for the two week period will be the day following the end of the accounting period.
- Trustees should submit accounts within the two week period following the end of the accounting period. If submitted by post, towards the end of the two week period, The Accountant will accept these accounts if they are received within the period of three weeks from the end of the accounting period.
- The Accounts must be either, signed by the trustee, or a person so authorised to sign the accounts on behalf of the trustee, or be sent to The Accountant via a secure electronic route.
- Accounts will be deemed late if:
  - The Accountant is not satisfied they were submitted within two weeks from the end of the accounting period, or,
  - they are signed and dated after the two week period following the end of the accounting period.
- The Accountant may return and not determine, any accounts deemed late and the trustee must make a Section 63(1) application to a sheriff for authority to submit their accounts late.

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- The Accountant will return, and not determine, any accounts which are received in an unacceptable format, or are not accompanied by the required supporting documentation. This may then require the trustee to make a Section 63(1) application to a sheriff, if the accounts cannot be re-presented to the Accountant within the two week period.
- If The Accountant is unable to determine a trustee's accounts within the statutory time period, as a result of any failing by the trustee to provide information or documents requested by The Accountant, the trustee will be required to submit a Section 63(1) application to a sheriff to ask for an extension to the statutory time period for The Accountant to complete the determination and to extend the accounts' determination appeal period.

The Accountant will not approve any claim for fees or outlays in relation to such a Section 63(1) application if the delay in submitting the accounts within the specified two week period is as a result of the actions, or inactions, of the trustee, unless a sheriff has specified that such fees and outlays can be paid from the sequestration estate.

A copy of the sheriff's interlocutor must be submitted to the Accountant with the late accounts.

- If it is not possible for The Accountant to determine the accounts within the statutory period, for reasons which are The Accountant's responsibility, The Accountant will make a Section 63 application to a sheriff for approval for the late determination of the accounts and to extend the accounts' determination appeal date.
- The trustee must submit with their accounts:
  - a copy of the Receipts and Payments,
  - evidence of income, for example: bank statements and states for settlement,
  - vouchers for **all** outlays claimed, with the exception of any statutory fees raised by the Accountant. Any outlay that is not vouched may be disallowed and cannot be claimed in a subsequent account. Therefore, it is recommended that outlays are not claimed during a period unless they can be supported by the relevant documentation at the time of submission, and,
  - a claim for remuneration (only in the format provided for in SIP9, example attached).

- Trustees can apply to the Accountant for an extension of the accounting period (excluding the 1<sup>st</sup> accounts). This application must be submitted to The Accountant for approval, before the end of the accounting period in question, in accordance with Section 52 (2A) of the Act.

The Accountant will refuse an application for an extension if she is not satisfied the application was submitted prior to the end of the accounting period.

- If a sheriff refuses to allow the late submission of a set of accounts, The Accountant will not determine the accounts and the trustee may not take any fees or outlays claimed within the accounting period and no request can be made, by the trustee, for the determination of these fees and outlays, through later accounts.

A copy of the interlocutor and the relevant receipts and payments must be sent to The Accountant to assist her in the audit of future accounts.

TIME AND CHARGE OUT SUMMARY: AS PER SIP9

Classification of work function	Hours					Time Cost £	Average hourly Rate £
	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours		
Administration and planning							
Investigations							
Realisation of assets							
Trading							
Creditors							
Case specific matters							
<b>Total hours</b>							
<b>Total fee claimed (£)</b>							

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