The Accountant in Bankruptcy published their 2018-19 Annual Report and Accounts on 18 September 2019. Here are some key figures across protected trust deeds.

There were 7,915 protected trust deeds registered in 2018-19, a 32.8% increase on the previous year.

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</tr>
</thead>
<tbody>
<tr>
<td>Protected trust deeds registered</td>
<td>4,437</td>
<td>4,709</td>
<td>5,470</td>
<td>5,958</td>
<td>7,915</td>
</tr>
</tbody>
</table>

In each year since 2015-16, more protected trust deeds have been registered than awards of bankruptcy.

The rate of protected trust deeds per 10,000 adults in Scotland increased to 17.5 in 2018-19 from 13.2 in the previous financial year.

North Lanarkshire was the local authority with the highest rate of protected trust deeds per 10,000 adult population, followed by Midlothian and North Ayrshire.

In 2018-19, 7,489 protected trust deeds were concluded compared with 7,283 concluded in 2017-18.

In 2018-19, 5,927 of the 7,489 protected trust deeds were concluded with a dividend payable to ordinary creditors.

<table>
<thead>
<tr>
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<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of PTDs recorded in the Register of Insolvencies up to preceding 31 March</td>
<td>27,289</td>
<td>25,964</td>
</tr>
<tr>
<td>PTDs registered during the year</td>
<td>5,958</td>
<td>7,915</td>
</tr>
<tr>
<td><strong>Less concluded</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PTDs where no dividend payable to ordinary creditors</td>
<td>(1,978)</td>
<td>(1,812)</td>
</tr>
<tr>
<td>PTDs where dividend payable to ordinary creditors</td>
<td>(5,186)</td>
<td>(5,927)</td>
</tr>
<tr>
<td><strong>Balancing item for total concluded</strong></td>
<td>(119)</td>
<td>(110)</td>
</tr>
<tr>
<td><strong>Total concluded</strong></td>
<td>(7,283)</td>
<td>(7,849)</td>
</tr>
<tr>
<td>PTDs remaining open at end of year (31 March)</td>
<td>25,964</td>
<td>26,030</td>
</tr>
</tbody>
</table>
Growth in Astra users

The list of creditors registered to use ASTRA to process protected trust deeds continues to grow.

On 25 September 2019, Watch Portfolio Management became the first representing company to be registered to use the system. Trustee organisations are reminded to ensure that, where possible, registered creditors are used on ASTRA when submitting the form 1.

The Efficiencies and Technology team within AiB continue to work on developments to ASTRA. Further developments were released to the system on 9 October 2019.

These updates included:

- Confirmation of whether or not the contribution is to be made by a third party. The team have previously requested this detail within the proposal. This update has introduced a tick box on the form 1.
- A mandatory requirement that where the case does not show a creditor, creditors are added at the form 1, form 3 part 1, form 4 or form 6 stage. When a creditor registers to use the system, we are able to transfer all cases currently showing them as a creditor to the registered creditor. If creditors are already on the case, this eliminates the need for trustee users to manually update the creditor screens at the form 4 stage. Where the creditors are added at any of these stages, the creditor list will automatically update at the later forms stages.
- Trustee users are no longer able to create new organisations on ASTRA. This is to ensure that there is no duplication of creditors shown on the system.
- The ability to amend previously submitted form 4 applications. Where a form 4 has been submitted but is later found to be incorrect, a trustee must send the information to AiB to have this updated. This development allows the trustee organisation to update this.

Full details of the enhancements to ASTRA can be found here.

Release of Trustee Interest in Debtor Assets

The Trust Deed Team has noticed an increase in enquiries relating to insurance policies and properties, whereby the trustee has not released their interest on successful completion of the protected trust deed.

It would be helpful if the trustee could ensure that the debtor’s full estate is released, before closure of the trust deed.
Policy Updates

During 2016 the Scottish Government began a series of legislative reviews to determine if changes introduced to the Debt Arrangement Scheme (DAS) and Protected Trust Deeds (PTDs) in recent years had met their intended outcomes. As part of this review a PTD consultation was issued seeking feedback on the PTD reforms introduced in 2013.

In picking up on the 2016 consultation the Scottish Government considered the responses to the consultation along with detailed statistical analysis and feedback from further stakeholder discussions that had taken place regarding reforms aimed at improving the operational framework for PTDs.

As a direct result of this a number of proposed legislative options, that aim to address concerns raised and enhance the effectiveness of PTDs, were identified. To seek views on these specific options a further consultation was published on the Scottish Government consultation hub on 16 January 2019 and closed on 19 April 2019. Responses to the consultation, where permission was given, have now been published on the Scottish Government Consultation Hub.

All responses will now be fully analysed and a report detailing the findings will be issued in due course.

Reminder - Paperless from November

On 19 March 2019, a dear trustee letter was issued which gave notice to Trustees that all trustee administrative duties are to be completed using ASTRA from Monday 4 November 2019. The letter can be found here.

Should any organisation feel that training on the processes would be beneficial, please do not hesitate to contact the team. Alternatively, comprehensive guidance is available on the Accountant in Bankruptcy website.

In preparation for this, the team has implemented supervision checks of forms which have been submitted using ASTRA. Any issues found are being referred to the organisations for information purposes and to highlight any training requirements.

In order to further reduce any unnecessary paperwork, the team request that where an organisation has committed to this process, they no longer issue paper copies to this office.
Form 4 - Further Information Queue

If an expected dividend has dropped by more than 20% from the trust deed proposal to the annual review, trustees are required to provide a reason for the drop in dividend and propose a course of action to the creditors on the Form 4 annual review. Creditors will then have 21 days to approve or object to the proposed action of the trustee.

When a Form 4 is submitted on ASTRA and the dividend has dropped by more than 20%, the Form 4 is automatically entered into the Form 4 Further Information Required queue on ASTRA.

21 days from the form 4 submission date, trustees are required to confirm whether creditors have objected or consented to the recommended action on ASTRA. This section can be found at the bottom of the Form 4 ‘Submit Further Information’. Once this has been completed, the form 4 will show as ‘Approved’ on ASTRA.

Proposal for Protection Process

When a proposal for protection is submitted to the trust deed team for a decision, each proposal is examined to ensure it meets the statutory conditions for protection.

If there are any queries regarding the proposal, it will be returned for further information.

In some cases the decision can be made to protect the trust deed or refuse protection without requesting further details.

However, in any of these scenarios, a decision will be taken within 2 working days from the date of submission.
Trust Deed Team Organisational Chart

Trust Deed Team Contact Information:
General Contact
Telephone: 0300 200 2710
Email: AiB-trustdeedteam@aib.gov.uk
Debtor Discharge Process

Clarification of some aspects of the debtor discharge and refusal to discharge process

Form 5 – Debtor’s Discharge

You will be aware that a trustee may determine a shorter payment period if the contributions or assets ingathered would allow the debts to be paid in full with interest as referred in Paragraph 8(3) of The Protected Trust Deeds (Scotland) 2013 Regulations and Section 168(3) of The Bankruptcy(Scotland) Act 2016.

If a trustee applies to grant the debtor their discharge prior to the minimum contribution period of 48 months, please provide a note on ASTRA or on the receipts and payments to confirm that ‘creditors will be paid in full with statutory interest’. This will prevent any delay in the registration of the debtors discharge.

If a trustee wishes to complete a protected trust deed early and out with these stipulations, an application for a direction may be made to the Accountant in Bankruptcy for consideration. An application for direction should be addressed to the Operational Policy and Compliance team.

Form 6 – Refusal of Debtor’s Discharge

If the trustee is refusing the debtors discharge, please provide a copy of the letter to the debtor confirming that they will not be discharged from their liabilities and of their rights to appeal to the Sheriff with the Form 6.

Please provide this no later than 21 days after issue to the debtor, as referred in Paragraph 24(8)(b) of The Protected Trust Deeds (Scotland) 2013 Regulations and Section 184(8)(b) of The Bankruptcy(Scotland) Act 2016.

Thanks for reading this issue of the PTD Bulletin.
If you’ve any feedback on this issue please contact the Trust Deed Team Leader, Stacey Dunn.