Welcome to the fifth edition of our Supervision Standard

Our office continues to be closed with staff working from home, however this seems to be working well with Trustees and their staff being able to reach us via the BASYS notification system and Team mailboxes.

We will continue to provide updates and information on the COVID-19 Business Contingency section of our website in relation to changes implemented to assist us during this time.

In the meantime, we will continue to publish our Supervision Standard when necessary, to provide a helpful resource for Trustees and their staff.

Any feedback on the content of the newsletter or any suggestions for content in future editions is welcome.

IN THIS EDITION:

Statutory Debt Solutions statistics
Trustee Accounts update & helpful tips
Adjudication and Supervision update
Bankruptcy Restrictions update & reminders
The production and publication of the 2019-20 Quarter 4 and 2020-21 Q1 Scottish Insolvency Statistics has been temporarily suspended until further notice. This action is necessary due to an urgent shift of resource to help manage immediate issues arising from the COVID-19 outbreak.

We continue to produce regular statistics and make these available when produced. However, please note that these are not official statistics, and therefore should only be used as a guide.

These experimental statistics can be found here.
It’s now been 3 months since the Trustee Accounts process went paperless and we are pleased to report it has been a success. Positive feedback continues to be received and at a time where most of us are working remotely, it has highlighted just how effective a system like BASYS can be.

Here are a few reminders to assist you when submitting accounts through BASYS:

**Paper B2s**
An application to extend or accelerate an accounting period should be submitted through BASYS without the need for a paper copy also being uploaded to the case. A brief update on the case should also be provided in the accounts note box.

**B1(A)/(B) no longer required**
When adding the trustee’s claim for remuneration for the period, please ensure the correct option is selected from the drop down menu. A paper copy of the B1(A) or (B) is no longer required.

**Example**
Trustee Accounts team update

Notifications
There is now no requirement for a notification to be raised advising that an account or an extension/acceleration request has been submitted. Our task lists are checked on a daily basis and any new account submissions or extension/acceleration requests will be picked up, providing they have been submitted correctly. Please ensure your account status is at ‘submitted’ as we are unable to accept the late submission of an account if the documents have been uploaded but the submit button has not been used.

If you have not signed up to email notifications, a notification will still be issued to trustees to advise of the determination/B2 acknowledgement.

If you would like further details on how to subscribe to email notifications, please contact the Trustee Accounts Team.

SOD completion on BASYS
BASYS has the facility to create a Scheme of Division (SOD) online which should be used by trustees and their staff. If the SOD is completed on the system, there is no requirement to provide a paper copy. To complete the SOD:

- Select the “Scheme of Division” tab at the bottom of the page.
- Enter any provision for future income using ‘Maintain Money-In’. e.g. future bank interest
- Next select ‘Maintain Provisions’. This will populate with any statutory fees raised but not shown as settled:

- Commission determined but not shown as taken (net)
- Commission determined but not shown as taken (vat)
- Audit fee – current period and Accountant’s final audit fee
- Supervision of dividend and sederunt book (for pre 2015 cases)
- Supervision of sequestration (for post 2015 cases)
Trustee Accounts team update

If you believe any of the pre-populated fees are incorrect, please do not change these and contact the Trustee Accounts Team for assistance.

- Click ‘add’ and enter details for:
  - Commission to close (net)
  - Commission to close (vat)
  - Final outlays
  - Petitioning creditor expenses

- Click ‘recalculate’ then click ‘submit’.
- The final audit fee will populate after recalculating.

Please also note that the schedule of creditors can be completed on BASYS to save having to upload a paper copy.

If you need any help in completing this section on BASYS, contact the Trustee Accounts Team or refer to the BASYS user guide on our website.
Commissioner Accounts

Please remember if a commissioner has been appointed, the signed Minute by the Commissioner, agreeing the Trustee’s fees and outlays, together with a copy of the receipts and payments for the period, should be sent to AiB for information. Now that we are paperless, these should be uploaded to the relevant account in BASYS.

The account should be left at ‘draft’ status and not submitted to AiB for determination. If there are account periods missing, you should add the correct period on BASYS. Please remember to seek the agreement from the Commissioner to extend/accelerate accounting periods. If the Commissioner agrees to an extension or acceleration request, the signed minute of agreement should be uploaded to BASYS and a request should be made to change the account period as normal.

For assistance in completing your accounts on BASYS please refer to our User Guide or alternatively contact the Trustee Accounts Team.

R&Ps should match BASYS

When completing your account for submission on BASYS, please ensure the amounts entered, are the same as the transactions on your receipts and payments for the period. If the account does not balance once these have been entered, please do not add a balancing entry in order to get the account to balance so it can be submitted.

Investigation should be carried out by reviewing previous accounts to try to ascertain the reasons for the discrepancy on BASYS. If you are unable to identify the issues, please contact the Trustee Accounts Team for assistance.
Trustee Accounts team update

Requests for waiving the requirement of taxation

As advised in our first edition, the Bankruptcy Act requires all accounts in respect of legal services, incurred by the trustee, to be submitted to the auditor of the court for taxation, however under certain circumstances, the trustee can make a request to AiB that such accounts do not require to be taxed. (Section 132 of the 2016 Act/ Section 53 of the 1985 Act refers.)

In some instances the declaration received is completed correctly but does not include a request for AiB to waive the requirement of taxation. Please ensure this is submitted along with the declaration when submitting accounts with legal fees. An audit observation will be raised to advise whether AiB agrees to this course of action.

Please note that any paper requests uploaded to the account on BASYS should be signed by the Trustee. However, the request can be made electronically in the notes section within the account on BASYS.

Accounts Due tasklist

Please ensure the Accounts Due Tasklist is generated on a regular basis in order to prevent the late submission of accounts.

Late Accounts

Whilst a trustee is waiting on approval of their application to submit any late accounts, they should consider extending any subsequent accounts if the submission period is nearing. We are unable to determine future accounts until the late account(s) are submitted.
Trustee Accounts team update

Detailed SIP9s

It would be helpful if any detailed SIP9s submitted are provided in Excel format if possible. This makes it easier for AiB to carry out a review and make notes against entries for the trustee’s information.

It would also be helpful if the detailed SIP9 is provided with the account. Some of the reasons we require a detailed SIP9 are:

- If the previous account had a section 63/212 application
- If the trustee’s remuneration is over £10,000 in a 1 year period.

AiB may request a detailed SIP9 for other reasons, however, it would be helpful to include this with the account if it falls under any of the above categories.

Maximising dividends for creditors

Trustees should be mindful of the costs when instructing third party agents and opening bank accounts that have high bank charges to ensure they are obtaining best value and costs of the sequestration are kept to a minimum.
Trustee Accounts team update

PPI investigation fees

As you are aware the Financial Guidance and Claims Act 2018 imposed fee caps on PPI claims from 10 July 2018. It would be helpful in accounts where there has been PPI ingathered and agents fees incurred, a note is included on BASYS to advise of the instruction date so we are able to apply the cap correctly when determining such outlays.

Please also remember that investigation fees can only be claimed once the PPI has actually been ingathered. Any fees showing through the account prior to receiving PPI will be disallowed until such times as the funds have been ingathered. Please also note that any fee exceeding the 20% fee cap will be reduced depending on the date of instruction.
Coronavirus information

The Coronavirus (Scotland) (No.2) Act 2020 was passed on 27 May 2020 to extend some time limits for statutory processes. The submission of the initial DCO in creditor petition cases has been extended to 12 weeks from the date of award of sequestration. Further changes include the use of electronic signatures on all statutory forms, virtual meetings of creditors being permitted and circulars being issued electronically with the approval of the recipient.

The full details of the Act can be found on our website.

Please note these are temporary changes and will last for an initial period of 5 months with the possibility of extension.

Recall – statutory interest not due

Following an ongoing court case regarding statutory interest being due on recalls, Court Opinion has been sought and the Sheriff has ruled that statutory interest is NOT due.

A full copy of the decision can be found on our website.
Adjudication and Supervision team update

Working from home

As you may be aware, following current government guidelines, the Adjudication and Supervision Team are working from home. Unfortunately, we do not have access to our telephones at this time, however if you need to contact us, please do so by email/BASYS in the first instance.

If your query is better discussed via telephone, please email the person you wish to speak to directly, or our team mailbox requesting a call back and we will endeavour to get back to you as soon as possible.

Email addresses for the team are as follows:

- Team mailbox - AST@aib.gov.uk
- Team Leader - Claire.cameron@aib.gov.uk
- Case Manager - Glenda.Mccarter@aib.gov.uk
- Case Manager - Zoey.Timpany@aib.gov.uk
- Case Manager - Gillian.Leitch@aib.gov.uk
- Case Administrator - Jennifer.Preston@aib.gov.uk
- Case Administrator - Francoise.Browne@aib.gov.uk

Appendix L enhancements

We are currently awaiting a new appendix L submission screen being implemented on BASYS. This is being tested and should be due for release in the next month. Further information will be available upon release.
Bankruptcy Restriction Orders

During the year, up to 31 March 2020, there were 26 Bankruptcy Restriction Orders granted. Further information on these can be found on AiB’s website.

If you have any questions regarding the bankruptcy restriction order process or the suspected offence report process, please contact the Bankruptcy Restrictions Team who will be happy to assist you with your enquiry.

Please forward any correspondence to us via the team mailbox.

Helpful Tip

Submission of Bankruptcy Restriction Investigation Applications (BRI)

When submitting a BRI application to AiB, it would be helpful if you could upload the following:

- A copy of the Supplementary Questionnaire
- A copy of Statement of Assets and liabilities
- A list of debts/ list of creditors
- A copy of any bank statements
- Any other relevant evidence that supports your BRI submission
Thanks for reading this issue

If you have any news, content suggestions or feedback - please contact Fiona Coyle, Head of Adjudication and Trustee Supervision.

To stay up to date with the latest news from AiB during the COVID-19 pandemic, please visit our business continuity page.

To subscribe for regular email updates, please click here.

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