



# *Reset your Debt* with **Tc Debt Solutions**



## **Bankruptcy**

**Legislation change to help the most financially vulnerable.**

**March 2021**

The Accountant in Bankruptcy (AiB) recently announced that The Scottish Parliament has approved legislation that paves the way for lower cost and improved access to debt relief through bankruptcy for the most financially vulnerable.

The AiB stated that Jamie Hepburn, the Minister for Business, Fair Work and Skills, said: “These improvements are sensible, not only in response to the immediate economic impact of the pandemic, but also for the longer term.

“These particular reforms have been well received since their introduction on a temporary basis last year and the opportunity to place them on a permanent footing provides assurance and certainty to debt advisers and the most financially vulnerable.

“While bankruptcy is a significant step and a final option, it can provide an important fresh start and is sometimes the only viable means to secure much needed debt relief. I would urge anyone experiencing issues with debt or financial uncertainty to seek advice at the earliest possible stage.”

The new regulations will come into force on 29 March 2021 and make permanent some emergency measures that were introduced last year through the Coronavirus (Scotland) (No.2) Act 2020.

### **New regulations in summary:**

- Reduce bankruptcy application fees for debtors. Primarily, the reduction of the full administration fee to £150 and the Minimal Asset Process fee to £50.
- Remove bankruptcy application fees for those individuals in receipt of prescribed benefits.
- Increase the debt threshold for entering a Minimal Asset Process bankruptcy from £17,000 to £25,000.
- Remove student loans from the debt threshold calculation in accessing Minimal Asset Process bankruptcy.
- Allowing the electronic signature of bankruptcy forms.
- Increasing the length of time for a trustee to submit an initial proposal for the Debtor’s Contribution Order from 6 weeks to 12 weeks.

Link to Legislation: [The Bankruptcy \(Miscellaneous Amendments\) \(Scotland\) Regulations 2021 - Draft Policy Note \(legislation.gov.uk\)](#)

**If you or anyone you know is currently struggling with a problem debt, at TC Debt Solutions we are always happy to assist. TC Debt Solutions is part of Thomson Cooper Accountants.**

**For free advice and information please contact.**

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