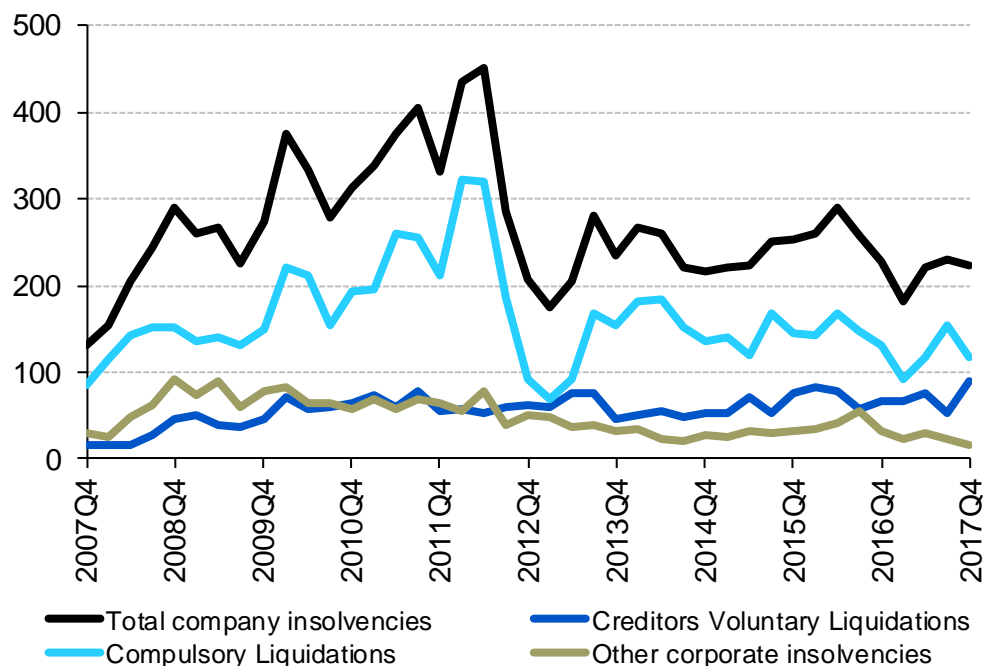


## 5 Insolvency in Scotland

### 5.1 Company insolvency

Company insolvency in Scotland is governed by broadly the same legislation as for England and Wales; however, the development of policy on and the recording of information about liquidations and receiverships is devolved to the Scottish Government, so figures are presented separately.

**Figure 15: Company insolvencies in Scotland**  
(quarterly data, not seasonally adjusted)



Source: Companies House.

See Table 9 of the accompanying Excel file for more detail.

In Q4 2017, there were an estimated 223 total company insolvencies, a decrease of 2.6% compared to Q4 2016. Of these, 207 were company liquidations, a 4.5% increase on the same quarter of 2016.

In Q4 2017, there were an estimated 118 compulsory liquidations, a 10.6% decrease since Q4 2016.

The majority of company liquidations in Scotland are compulsory liquidations. This is in contrast to England and Wales, where the number of creditors' voluntary liquidations (CVLs) account for the majority of company liquidations. This difference may be because in England and Wales, the Insolvency Service manages the initial stage of case administration for all compulsory liquidations, for which a fee is charged.

There were an estimated 89 CVLs. Although this represented a 34.8% increase on the same period in 2016, the number of CVLs has remained largely stable, with usually between 50 and 90 cases in each quarter since 2010.

There were an estimated 14 administrations in Q4 2017, two company voluntary arrangements and no administrative receivership appointments during this period.

#### Explanation of key terms

See section 2 (company insolvency in England and Wales) for further information.

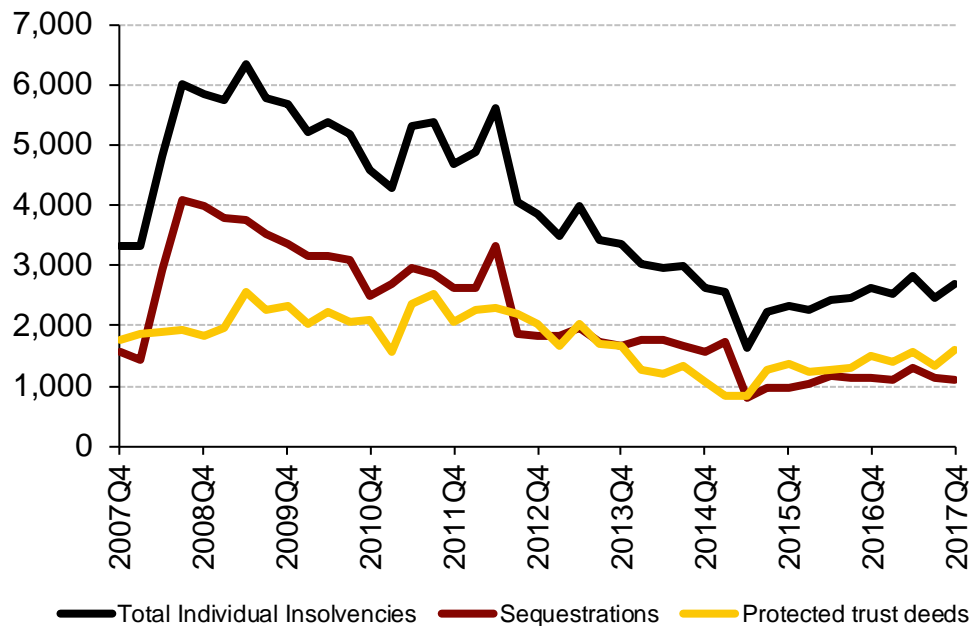
The Excel file which accompanies this release additionally contains statistics on the number of administrations, receiverships and CVAs in Scotland.

The [Accountant in Bankruptcy](#) (AiB), Scotland's Insolvency Service, publishes quarterly Official Statistics on company liquidations. These are based on AiB's administrative records, and are not coherent with these statistics, which are based on data from Companies House.

## 5.2 Individual insolvency

Legislation relating to individual insolvency in Scotland is devolved. The [Accountant in Bankruptcy](#), Scotland's Insolvency Service, administers individual insolvency in Scotland.

**Figure 16: Individual insolvencies in Scotland**  
(quarterly data, not seasonally adjusted)



### Explanation of key terms

**Sequestration** fulfils much the same role as bankruptcy in England and Wales.

In April 2008, the law was changed to offer a new route into sequestration for individuals with **low income and low assets (LILA)**, which resulted in a large increase in the number of sequestrations in Scotland.

In April 2015, the Minimal Asset Process replaced LILA, and other changes affected sequestrations, resulting in a large decrease.

**Protected trust deeds** are voluntary arrangements in Scotland and fulfil much the same role as IVAs in England and Wales. However there are differences in the way they are set up and administered, meaning the figures shown here are not consistent with those provided for England and Wales or Northern Ireland.

These statistics do not include debt payment programmes under the [debt arrangement scheme](#), which are not formal insolvencies.

Source: [Accountant in Bankruptcy \(AiB\)](#).

The sequestration figures include LILA (Low Income, Low Assets) cases from 1 April 2008, and MAP (Minimal Asset Process) cases from 1 April 2015.

See Table 11 of the accompanying Excel file for more detail.

In Q4 2017, there were 2,691 individual insolvencies in Scotland, which was 2.1% higher than in Q4 2016.

There were 1,089 sequestrations in Q4 2017, a decrease of 4.2% compared to Q4 2016. Of these, 493 people went into sequestration via the Minimal Asset Process route.

In Q4 2017, there were 1,602 Protected Trust Deeds (PTDs), an increase of 6.9 compared with Q4 2016. Recent changes to insolvency legislation have aligned the minimum periods that individuals are required to contribute to their insolvency estate to four years for both sequestrations and PTDs; prior to this, individuals entering sequestration were required to make contributions for three years. Following this change, it is likely that some individuals entered PTDs rather than bankruptcy.