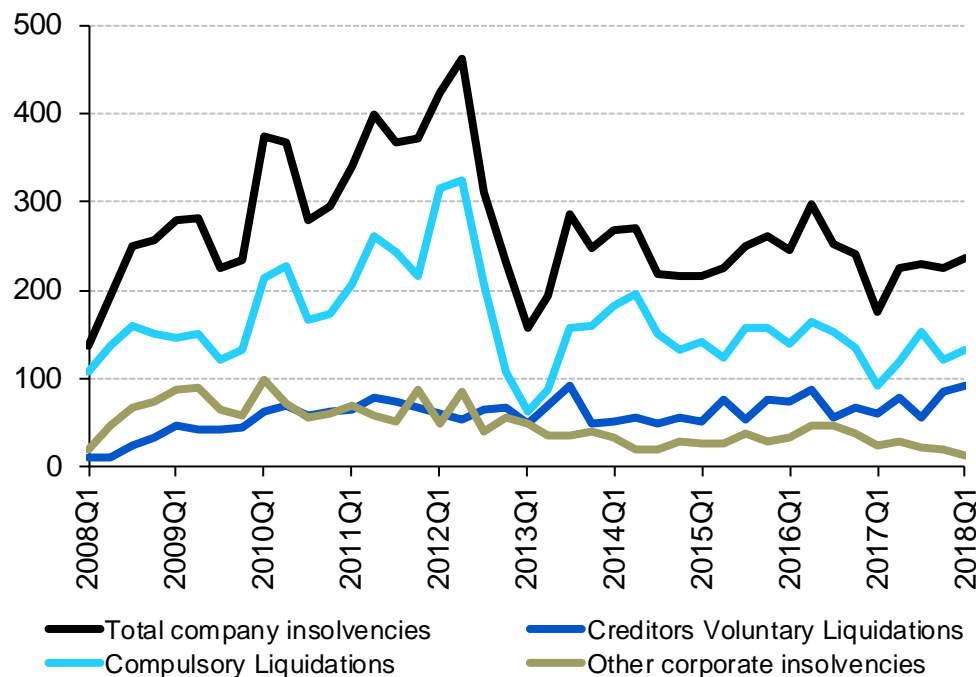


## 4 Insolvency in Scotland

### 4.1 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 13: Company insolvencies in Scotland**  
(quarterly data, not seasonally adjusted)



Source: Companies House.

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

In Q1 2018, there were 237 total company insolvencies, an increase of 34.7% compared to Q1 2017. Of these, 224 were company liquidations, a 46.4% decrease on the same quarter of 2017.

In Q1 2018, there were 132 compulsory liquidations, a 43.5% increase since Q1 2017.

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 92 CVLs in Q1 2018. The number of CVLs has remained largely stable, varying between 48 and 92 cases in each quarter since 2010.

There were 11 administrations in Q1 2018, one company voluntary arrangement and one receivership appointment during this period.

#### Explanation of key terms

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

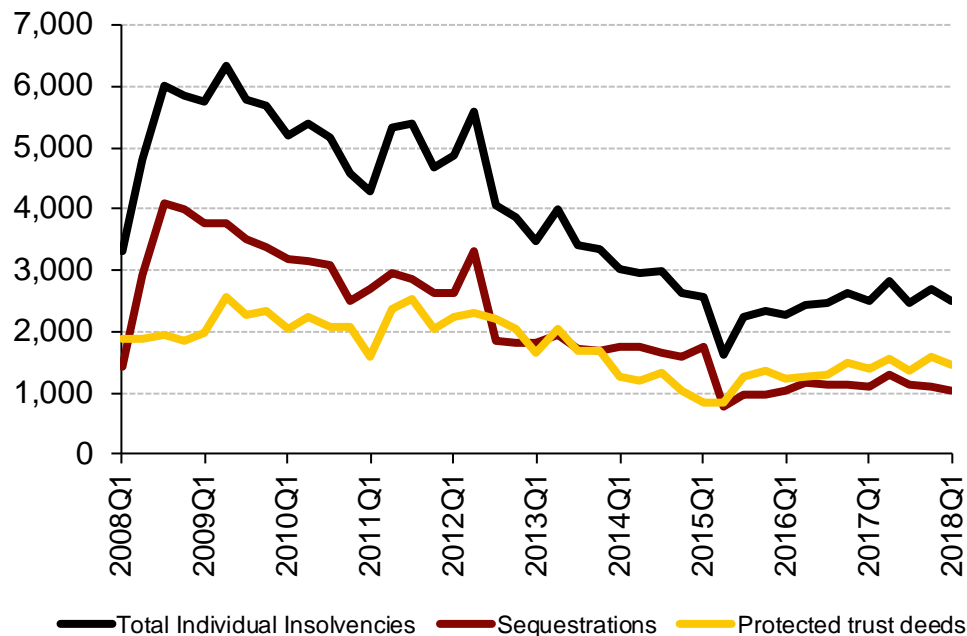
The Excel file which accompanies this release additionally contains statistics on the number of administrations, receiverships and CVAs in Scotland.

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.

## 4.2 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 14: Individual insolvencies in Scotland**  
(quarterly data, not seasonally adjusted)



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.

### 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.

In Q1 2018, there were 2,501 individual insolvencies in Scotland, which was 0.6% lower than in Q1 2017.

There were 1,038 sequestrations in Q1 2018, a decrease of 7.0% compared to Q1 2017. Of these, 437 people went into sequestration via the Minimal Asset Process route.

In Q1 2018, there were 1,463 Protected Trust Deeds (PTDs), an increase of 4.5% compared with Q1 2017.