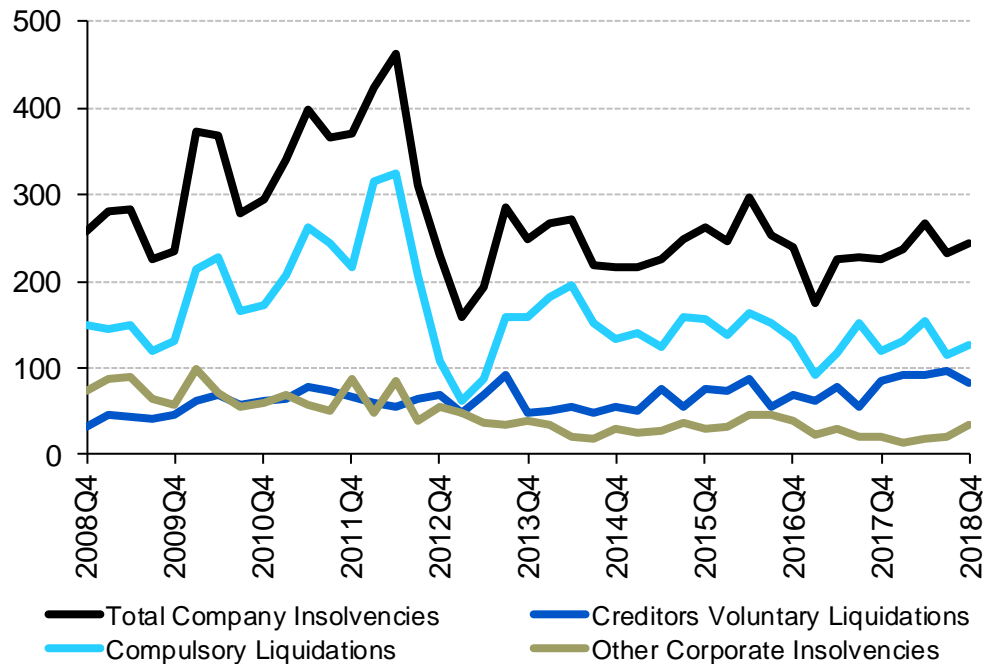


5 Insolvency in Scotland

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.

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.

In Q4 2018, there were 245 total company insolvencies, an increase of 8.4% compared to Q4 2017. Of these, 210 were company liquidations, which was a 1.9% increase on the same quarter of 2017.

In Q4 2018, there were 127 compulsory liquidations, a 5.8% increase since Q4 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.

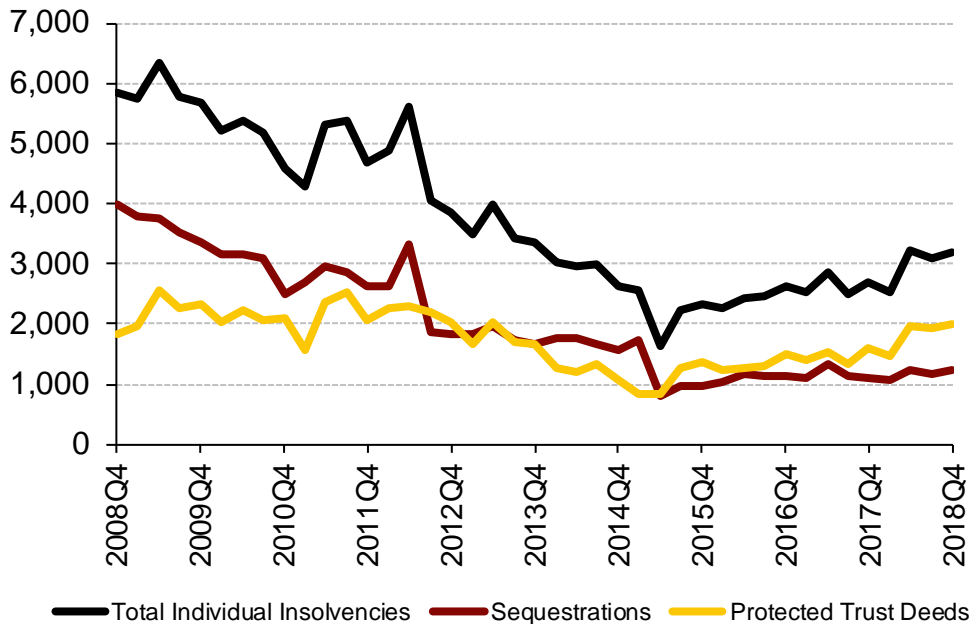
There were 83 CVLs in Q4 2018; this was a decrease of 3.5% on Q4 2017.

There were 33 administrations, 1 company voluntary arrangement and 1 receivership appointment during Q4 2018.

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)



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 Q4 2018, there were 3,198 individual insolvencies in Scotland, which was 18.1% higher than in Q4 2017.

There were 1,217 sequestrations in Q4 2018, an increase of 9.9% compared to Q4 2017. Of these, 562 people went into sequestration via the Minimal Asset Process route.

In Q4 2018, there were 1,981 Protected Trust Deeds (PTDs), an increase of 23.8% compared with Q4 2017.