

Protected Trust Deed Consultation

The long awaited Protected Trust Deed Consultation was launched on 17 October 2011 by the Scottish Government. The aim of the consultation is to improve the efficiency of the PTD process thereby achieving better returns for creditors whilst striking a balance between the interests of the creditors and that of the debtor. The consultation seeks comment *inter alia* on:

- the AiB's revised PTD Guidance which has resulted from the deliberations of the Protected Trust Deed Working Group (formerly referred to as the Best Practice Guidance and included as Appendix 1 of the consultation).
- the introduction of a Protected Trust Deed Review Board to monitor the operation of the PTD process. The proposal being that IPs must co-operate with the Board.
- the proposal to freeze the equity in the family home at the date of signing the Trust Deed, but the ability to lift the freeze if it becomes necessary to sell the property.
- whether there is a need for the introduction of a simplified, lower cost trust deed product and if so who should be appointed trustee (formerly referred to as the Fast Track Trust Deed process).

The key issue of how a debtor's home should be treated in all forms of bankruptcy is not addressed; it is to be the subject of a future consultation though there is no indication of the timing of the consultation.

IPs are encouraged to respond to the consultation which ends on 31 January 2012. The consultation can be accessed on the AiB website through this link:

<http://www.scotland.gov.uk/Publications/2011/10/14103349/0>