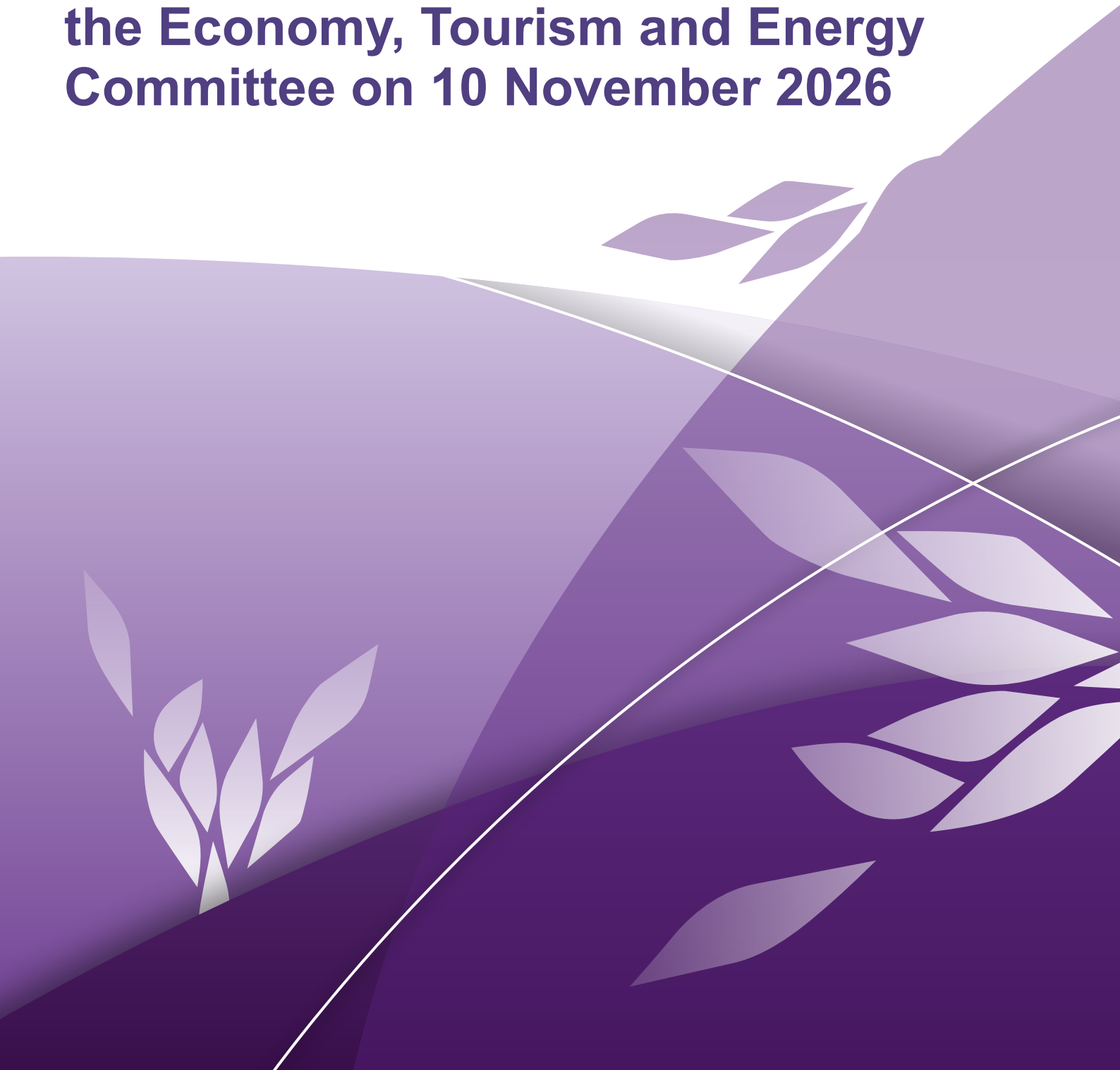
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Economy, Tourism and Energy Committee

Subordinate legislation considered by the Economy, Tourism and Energy Committee on 10 November 2026



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Economy, Tourism and Energy Committee

To consider and report on matters within the responsibility of the Cabinet Secretary for Economy, Tourism and Transport, with the exception of transport, on matters relating to public infrastructure, civil contingencies and resilience, and on matters relating to energy and energy consents


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Bankruptcy and Attachment (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft]

Introduction

1. This report sets out the Economy, Tourism and Energy Committee's consideration of the Bankruptcy and Attachment (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft] at its meeting on 10 November 2026.

2. The minutes of the meeting have been published on the Committee's web page. The Official Report of the meeting is available on the Scottish Parliament's website.

About the instrument

3. The Bankruptcy and Attachment (Miscellaneous Amendment) (Scotland) Regulations 2026 aim to widen access to Scotland's Minimal Asset Process (MAP) bankruptcy and strengthen protections for people experiencing problem debt. The instrument is subject to the affirmative procedure.

4. The regulations raise the debt limit for MAP bankruptcy from £25,000 to £50,000 and increases the permitted asset values (single assets from £1,000 to £3,000 and total assets from £2,000 to £5,000). The instrument shortens the MAP bankruptcy reapplication period from 10 years to 6 years.

5. It raises the protected values for vehicles (£3,000 to £7,000), tools of trade (£1,000 to £2,000) and sentimental items (£150 to £2,000), and clarifies that mobility scooters are excluded from assets available to creditors.

6. It also updates prescribed forms and makes email the default communication method, transfers responsibility for maintaining the Common Financial Statement from the Money Advice Trust to Accountant in Bankruptcy and corrects a minor drafting omission in the Bankruptcy (Scotland) Act 2016.

Consideration by the Delegated Powers and Law Reform Committee

7. The Delegated Powers and Law Reform Committee considered the instrument on 3 November 2026 and reported on it in its 16th Report 2026 .

8. It made no recommendations in relation to the instrument.

Consideration by the Economy, Tourism and Energy Committee

9. The Committee took evidence on the instrument from the Minister for Public Finance on 10 November 2026.

10. The Minister made an opening statement, setting out the purpose and objectives of the instrument.

11. The Minister stated that the regulations take forward recommendations from the overarching review of Scotland's statutory debt solutions, which the Committee's predecessor pressed for. The regulations aim to help people with substantial debt, who are often among the most vulnerable, to reach the most appropriate statutory debt solution, while balancing the interests of debtors and creditors.

12. The Minister explained that the upper debt limit rises to £50,000, so people with no income or assets to repay their debts can avoid the more complex full administration bankruptcy which, in her view, offers creditors negligible benefit.

13. The Bankruptcy (Scotland) Regulations 2016 are updated to reflect that the Accountant in Bankruptcy will maintain the Common Financial Tool, and email becomes the default communication method in bankruptcy cases unless the individual needs another method.

14. The Minister told the Committee there had been significant, ongoing stakeholder engagement, including with sector specialists in debt advice and the operation of statutory debt solutions.

15. Members asked about the reduction of the re-application period from 10 years to six. The Minister and Richard Dennis (Chief Executive, Accountant in Bankruptcy) explained that the change was proposed by the independent MacDermid review. He said that local government had been concerned that people might avoid paying council tax and have it written off repeatedly, but that there was no evidence of this happening. He also noted that the wait between bankruptcies was not actually being shortened because someone could re-apply for a full administration bankruptcy after five years. He added that councils need to act well before five years of non-payment have passed.

16. The Committee asked about the increase in the excluded value of tools of the trade from £1,000 to £2,000. Richard Dennis said that a higher figure had been considered, but sheriff officers were concerned that it would limit enforcement. He said the values reflect what can be obtained at auction rather than the original cost. Representations about the appropriate threshold had come from advisers rather than individuals. No trade-by-trade assessment had been carried out, and the thresholds will be reviewed again in a few years.

17. Members asked about the uprating of values and debt thresholds considering changing inflationary pressures. The Minister said that the thresholds had not been reviewed since 2010 and in setting the uprated figure, the Scottish Government had tried to ensure that the thresholds are fit for purpose and future proofed.

18. Members also asked how the regulations protected against the risk of fraud. The

Minister said that applicants must be assessed and signed off by a money adviser. The Scottish Government allocates £9 million per year to money advice services. Richard Dennis added that the Accountant in Bankruptcy also runs credit checks, checks the property register and double-checks claims at the point of award. He noted that the money advisers are not Scottish Government employees and that the largest source of free advice is funded by local authorities.

19. Finally, Members asked whether there was any way of monitoring if people who go through the process achieve lasting financial stability after discharge, and how many go on to experience another cycle of debt. The Minister acknowledged that support to prevent repeat debt is limited and not sufficiently preventative.

20. The Minister moved motion S7M-01587—

That the Economy, Tourism and Energy Committee recommends that the Bankruptcy and Attachment (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft] be approved.

21. The motion was agreed to.

22. **Accordingly, the Committee recommends to the Parliament that the Bankruptcy and Attachment (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft] be approved.**

