

ECONOMY AND FAIR WORK COMMITTEE

**26th Meeting, 2023 (Session 6), Wednesday
25 October 2023**

Bankruptcy and Diligence (Scotland) Bill (Stage 1)

Note by the Clerk

Background

1. The Bankruptcy and Diligence (Scotland) Bill (“the Bill”) aims to make changes to the law around bankruptcy and diligence. The Economy and Fair Work Committee was designated as lead committee for consideration of the Bill on 16 May 2023.
2. The Bill is currently at Stage 1 where the lead committee is responsible for examining the Bill. It hears from experts, organisations, and members of the public about what the Bill would do. The Committee will then report and recommend whether or not the Parliament should support the “general principles” (the main purpose) of the Bill.
3. The Bill aims to strengthen and update the law relating to bankruptcy and diligence by implementing various stakeholder-led recommendations. It proposes to achieve this by—
 - a. Providing an enabling power to establish a mental health moratorium on debt recovery action;
 - b. Making minor and technical modifications to the Bankruptcy (Scotland) Act 2016; and
 - c. Making technical modifications to the law of diligence (Scotland’s formal debt recovery mechanisms).

Call for Views

4. The Committee launched a call for views on 25 May which closed on 21 July and [received 18 written responses](#).

Witnesses

5. The Committee will take evidence from front-line money advisers to hear their views on the Bill, particularly on the mental health moratorium.
6. The Committee will hear from—
 - Alan McIntosh, Approved Money Adviser, Advice Talks Ltd;
 - Joe McMonagle, Money Advice Training and Development Officer, South Lanarkshire Council; and
 - Natalia Mendel, Money Advice Manager, Dalkeith & District Citizen's Advice Bureau.
7. Written responses to the Committee's call for views were received from [Alan McIntosh](#), [Citizens Advice Scotland](#), and [South Lanarkshire Council](#).

**Economy and Fair Work Committee Clerks
19 October 2023**