

# ECONOMY AND FAIR WORK COMMITTEE

**30<sup>th</sup> Meeting, 2023 (Session 6), Wednesday  
29 November 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’s call for views ran from 25 May to 21 July and received 17 written responses, [these can be accessed on the Committee’s website](#).

#### **Witnesses**

5. In the final evidence session on Stage 1 scrutiny of the Bill, the Committee will hear from—

- Tom Arthur, Minister for Community Wealth and Public Finance
- Richard Dennis, Accountant in Bankruptcy and Agency Chief Executive; and
- James Clelland, Solicitor, Scottish Government.

**Economy and Fair Work Committee Clerks  
24 November 2023**