



Sequestration in Scotland - what you must do

Contact us now

If you do not pay, or contact us within seven days about settling your debt, we will start the legal process immediately.

You should contact the officer named in the covering letter immediately.

We will expect you to pay your unpaid tax debts now.

If you cannot pay immediately, you need to tell us. You may wish to seek advice on ways of raising the money to settle your tax debts. This could include releasing any equity in your property. If your home is rented, you will need legal advice on your rights as a tenant.

What happens next

If you do not respond to this letter we will

- charge you to pay the amounts for which a Court Decree is held, or
- send you a demand for payment.

You will have 21 days (or, in the case of the charge, 14 days) to pay your debt - or we will lodge a Sequestration Petition in the court.

The petition will tell you when and where the hearing will take place. You should attend the hearing if you wish to persuade the court why you should not be made bankrupt.

What sequestration means

Sequestration is the Scots Law term for bankruptcy. It means that the person to whom you owe money can ask the court to appoint a trustee in sequestration to realise your assets and use the money to meet expenses and pay your creditors.

If you are sequestrated you cannot

- obtain credit for over £250 without declaring that you are an undischarged bankrupt
- be a director or involved in the management of a company
- hold certain public offices or professions.

Sequestration lasts for three years, unless a Trustee or a creditor asks the court to extend it.

The Sequestration Order

If you appear in court and make proposals for settlement that are not agreed by your creditors or fail to persuade the court why you should not be made bankrupt, the court will award sequestration of your estates and make you bankrupt.

Once a Sequestration Order is made, the court will appoint an insolvency practitioner or the Accountant in Bankruptcy as your Trustee in Sequestration to realise your assets and pay your creditors.

How to pay

You can pay

- by debit card - see the payslip attached to the covering letter for details where this is an option
- by bank giro - at any branch of your bank, by cash or cheque
- by telephone banking (BACS and CHAPS) - ask us for details
- over the internet - at www.hmrc.gov.uk/howtopay/menu.htm

Getting advice

You can get independent advice from

- a licensed insolvency practitioner, who can discuss options such as a voluntary arrangement if your business is viable, but is suffering short term difficulties.
- a solicitor, who can provide you with legal advice
- a Citizen's Advice Bureau (CAB) or a Law Centre, who may be able to offer you free advice. If you would prefer, they can contact us to discuss matters on your behalf. A letter of authority allowing us to discuss your case is required. Local CAB offices are in *The Phone Book* or visit www.cas.org.uk
- a qualified tax adviser, who can help if you have not submitted tax returns.

These notes describe in general terms what is likely to happen. If you would like more details, please contact the HM Revenue & Customs office shown on the covering letter.

What we need from you

Contact us immediately to let us know the position.

If you wish to discuss payment proposals with us, you may be asked to

- complete an Income & Expenditure form to help us assess your current financial position, and
- disclose details of all your assets and liabilities.

This is to help us make an informed decision on your proposal.

If we accept your proposal, we expect you to keep us informed of any changes in your circumstances.

Once your tax affairs are up to date, you must ensure that you comply with all future obligations for filing returns and paying tax.

HM Revenue & Customs commitment

We aim to provide a high quality service with guidance that is simple, clear and accurate.

We will

- be professional and helpful
- act with integrity and fairness, and
- treat your affairs in strict confidence within the law.

We aim to handle your affairs promptly and accurately so that you receive or pay only the right amount due.

Putting things right

If you are not satisfied with our service, please let the person dealing with your affairs know what is wrong. We will work as quickly as possible to put things right and settle your complaint.

If you are still unhappy, ask for your complaint to be referred to the Complaints Manager.

HM Revenue & Customs was created in April 2005, integrating the former Inland Revenue and HM Customs and Excise.

Customers with particular needs

We offer a range of facilities for customers with particular needs, including

- wheelchair access to nearly all HMRC Enquiry Centres
- help with filling in forms
- for people with hearing difficulties
 - BT Typetalk
 - induction loops.

We can also arrange additional support, such as

- home visits, if you have limited mobility or caring responsibilities and cannot get to one of our Enquiry Centres
- services of an interpreter
- sign language interpretation
- leaflets in large print, Braille and audio.

For complete details please

- go online at www.hmrc.gov.uk/enq or
- contact us. You will find us in *The Phone Book* under HM Revenue & Customs.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

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