

*These notes relate to the Coronavirus (Recovery and Reform) (Scotland) Act 2022 (asp 8) which received Royal Assent on 10 August 2022*

# **CORONAVIRUS (RECOVERY AND REFORM) (SCOTLAND) ACT 2022**

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## **EXPLANATORY NOTES**

### **THE ACT: OVERVIEW**

#### **Part 3: Public Service Reform**

#### **Bankruptcy**

##### ***Section 20: Bankruptcy: meaning of “qualified creditor” and “qualified creditors”***

84. This section amends the definitions of “qualified creditor” and “qualified creditors” in section 7(1) of the 2016 Act by raising the amount of money a creditor or a group of creditors must be owed in order to be “qualified” from £3,000 to £5,000. A qualified creditor has the right to petition the court for a debtor’s bankruptcy in terms of section 2(1)(b)(i) of the 2016 Act, where the debtor is apparently insolvent. The new definition will apply in relation to any sequestration in respect of which the petition was presented on or after the commencement date of 1 October 2022 (see section 59 for commencement arrangements).