



# Debtors (Scotland) Act 1987

## 1987 CHAPTER 18

### PART I

#### EXTENSION OF TIME TO PAY DEBTS

##### *Time to pay orders following charge or diligence*

#### **5 Time to pay orders.**

- (1) Subject to section 14 of this Act, this section applies to a debt due under a decree or other document in respect of which —
  - (a) a charge for payment has been served on the debtor;
  - (b) an arrestment has been executed; or
  - (c) an action of adjudication for debt has been commenced.
- (2) Subject to subsections (4) and (5) below, the sheriff may, on an application by the debtor, make an order that a debt to which this section applies (including any interest claimed in pursuance of subsections (6) and (7) below) so far as outstanding, shall be paid—
  - (a) by such instalments, commencing at such time after the date of intimation in accordance with section 7(4) of this Act by the sheriff clerk to the debtor of the order under this subsection, payable at such intervals; or
  - (b) as a lump sum at the end of such period following intimation as mentioned in paragraph (a) above,as the sheriff may specify in the order.
- (3) An order under subsection (2) above shall be known as a “time to pay order”.
- (4) It shall not be competent for the sheriff to make a time to pay order—
  - (a) where the amount of the debt outstanding at the date of the making of the application under subsection (2) above (exclusive of any interest) exceeds £10,000 or such amount as may be prescribed in regulations made by the Lord Advocate;

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**Changes to legislation:** *Debtors (Scotland) Act 1987, Cross Heading: Time to pay orders following charge or diligence is up to date with all changes known to be in force on or before 24 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (b) where, in relation to the debt, a time to pay direction or a time to pay order has previously been made (whether such direction or order is in effect or not);
  - (c) where, in relation to the debt, a summary warrant has been granted;
  - (d) in relation to a debt including any sum recoverable by or on behalf of the Inland Revenue in respect of tax or as if it were tax;
  - [<sup>F1</sup>(e) in relation to a debt including any sum due to—
    - (i) a rating authority for payment of rates;
    - (ii) a regional or islands council for the payment of any community charge, community water charge, council tax or council water charge;
      - [ a collecting authority (within the meaning of section 79 of the Local
      - <sup>F2</sup>(iia) Government etc. (Scotland) Act 1994) in respect of any charges payable to them by virtue of that section;]] or
      - [<sup>F3</sup>(iib) a local authority (within the meaning of section 70 of the Water Industry (Scotland) Act 2002 (asp 3)) in respect of any charges payable to them by virtue of section 37 of that Act;]
      - (iii) a regional or islands council for payment of any amount payable as a civil penalty within the meaning of subsection (9) below.
  - (f) in relation to a debt including—
    - (i) any duty due under the <sup>M1</sup>Betting and Gaming Duties Act 1981;
    - (ii) car tax due under the <sup>M2</sup>Car Tax Act 1983; <sup>F4</sup>. . .
    - (iii) value added tax due under the <sup>M3</sup>Value Added Tax Act 1983 or any sum recoverable as if it were value added tax. [<sup>F5</sup>or
    - (iv) any amount by way of contributions, or by way of interest or penalty in respect of contributions, certified under section 118(1) of the <sup>M4</sup>Social Security Administration Act 1992 as liable to be paid to the [<sup>F6</sup>Commissioners of Inland Revenue]].
- (5) Where in respect of a debt to which this section applies—
- (a) there has been a pointing of articles belonging to the debtor and a warrant of sale has been granted in respect of them but has not been executed;
  - (b) moveable property of the debtor has been arrested and in respect of the arrested property—
    - (i) a decree in an action of furthcoming has been granted but has not been enforced; or
    - (ii) a warrant of sale has been granted but the warrant has not been executed; or
  - (c) a decree in an action of adjudication for debt has been granted and the creditor has, with the debtor's consent or acquiescence, entered into possession of any property adjudged by the decree or has obtained a decree of maills and duties, or a decree of removing or ejection, in relation to any such property,
- it shall not be competent for the sheriff to make a time to pay order in respect of that debt until the diligence has been completed or has otherwise ceased to have effect.
- (6) Without prejudice to section 9(12) of this Act, interest payable under a decree for payment of a debt in respect of which a time to pay order has been made (other than interest awarded as a specific sum in the decree) shall not be recoverable by the creditor except in accordance with subsection (7) below.

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- (7) A creditor who wishes to recover interest to which subsection (6) above applies shall serve a notice on the debtor not later than the date prescribed by Act of Sederunt occurring—
- (a) in the case of an order under subsection (2)(a) above, before the date when the last instalment of the debt (other than such interest) is payable under the order;
  - (b) in the case of an order under subsection (2)(b) above, before the end of the period specified in the order,
- stating that he is claiming such interest and specifying the amount of the interest claimed.
- (8) Any sum paid by a debtor under a time to pay order shall not be ascribed to interest claimed in pursuance of subsections (6) and (7) above until the debt concerned (other than such interest) has been discharged.

[<sup>F7</sup>(9) In paragraph (e) of subsection (4) above—

“community charge” and “community water charge” have the meanings assigned to them in section 26 of the <sup>M5</sup>Abolition of Domestic Rates Etc. (Scotland) Act 1987 and the reference in that paragraph to payments of these charges includes reference to any amount payable under section 18(3) of that Act (payment of charges in respect of backdated period);

“council tax” and “council water charge” have the meanings assigned to them by section 99(1) of the Local Government Finance Act 1992; and

“civil penalty” means a penalty under section 17(10) or (11) of that Act of 1987 or under paragraph 2 of Schedule 3 to that Act of 1992.]

#### Textual Amendments

- F1** S. 5(4)(e) substituted (1.4.1993) for s. 5(4)(e)(ee) by [Local Government Act 1992 \(c. 14\), s. 117\(1\), Sch. 13 para. 54\(1\)](#); S.I. 1993/575, [art. 2\(c\)](#).
- F2** S. 5(4)(e)(iia) inserted (1.4.1996) by 1994 c. 39, s. 180(1), [Sch. 13 para. 151\(2\)](#); S.I. 1996/323, [art. 4\(c\)](#)
- F3** S. 5(4)(e)(iib) inserted (1.4.2002) by [Water Industry \(Scotland\) Act 2002 \(asp 3\), s. 71\(2\), Sch. 7 para. 17\(2\)](#) (with s. 67); S.S.I. 2002/118, [art. 2\(3\)](#)
- F4** Word in s. 5(4)(f) ceased to have effect (6.4.1999) by virtue of 1998 c. 14, s. 86(1), [Sch. 7 para. 12](#); S.I. 1999/526, [art. 2\(3\)\(4\)](#) and repealed (1.6.1999) by 1999 c. 14, s. 86(2), [Sch. 8](#); 1999/1510, art. 2(f)(ii)
- F5** Word 'or' and s. 5(4)(f)(iv) inserted (6.4.1999) by 1998 c. 14, s. 86(1), [Sch. 7 para. 12](#); S.I. 1999/526, [art. 2\(3\)\(4\)](#)
- F6** Words in s. 5(4)(f)(iv) substituted (6.4.1999) by 1999 c. 2, s. 26(1), [Sch. 9 para. 1](#); S.I. 1999/526, art. 2(c), [Sch. 3](#)
- F7** S. 5(9) inserted (1.4.1993) by [Local Government Act 1992 \(c. 14\), s. 117\(1\), Sch. 13 para. 54\(2m\)](#); S.I. 1993/575, [art. 2\(c\)](#).

#### Marginal Citations

- M1** 1981 c. 63.  
**M2** 1983 c. 53.  
**M3** 1983 c. 55.  
**M4** 1992 c.5.  
**M5** 1987 c. 47.

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## **6 Application for time to pay order.**

- (1) An application for a time to pay order shall specify, to the best of the debtor's knowledge, the amount of the debt outstanding as at the date of the making of the application and shall include an offer to pay it—
  - (a) by specified instalments, payable at specified intervals; or
  - (b) as a lump sum at the end of a specified period.
- (2) The sheriff clerk's duty under section 96(2)(b) of this Act to assist the debtor in the completion of certain forms shall, in relation to a form of application for a time to pay order, consist of a duty to assist him in the completion of the form in accordance with proposals for payment made by the debtor.
- (3) On receipt of an application for a time to pay order, the sheriff shall, if the application is properly made and unless it appears to him that the making of a time to pay order would not be competent, make an interim order sisting diligence as provided for in section 8(1) of this Act.
- (4) The sheriff may, where the debtor is unable to furnish the necessary information, make an order requiring the creditor, within such period as may be specified therein, to furnish to the sheriff such particulars of the decree or other document under which the debt is payable as may be prescribed by Act of Sederunt.
- (5) If a creditor fails to comply with an order under subsection (4) above the sheriff may, after giving the creditor an opportunity to make representations, make an order recalling or extinguishing any existing diligence, and interdicting the creditor from executing diligence, for the recovery of the debt.
- (6) Where the sheriff makes an interim order under subsection (3) above, the sheriff clerk shall as soon as is reasonably practicable—
  - (a) serve a copy of the application for the time to pay order on the creditor informing him that he may object to the granting of the application within a period of 14 days after the date of service; and
  - (b) serve on the creditor a copy of the interim order and of any order under subsection (4) above.

## **7 Disposal of application.**

- (1) If no objection is made in pursuance of section 6(6)(a) of this Act, the sheriff shall make a time to pay order in accordance with the application.
- (2) If such an objection is made, the sheriff shall not dispose of the application without first—
  - (a) giving the debtor an opportunity to make representations; and
  - (b) if agreement is not reached as to whether a time to pay order should be made or as to its terms, giving the parties an opportunity to be heard.
- (3) Where the sheriff refuses to make a time to pay order, he shall recall any interim order under section 6(3) of this Act.
- (4) The sheriff clerk shall as soon as is reasonably practicable—
  - (a) intimate the decision of the sheriff on an application for a time to pay order (including any recall of an interim order under subsection (3) above) to the debtor and the creditor; and

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- (b) if the sheriff has made a time to pay order, inform the creditor of the date when he intimated that fact to the debtor.

## 8 Effect of interim order on diligence.

- (1) While an interim order under section 6(3) of this Act is in effect it shall not be competent in respect of the debt—
  - [<sup>F8</sup>(a) to auction any articles which have been attached;]
  - (b) to execute an earnings arrestment;
  - (c) where an arrestment of property belonging to the debtor (other than an arrestment of earnings in the hands of his employer) has been executed before or after the making of the interim order, to commence an action of furthcoming or sale, or to grant decree in any such action which has already been commenced, in pursuance of that arrestment;
  - (d) to commence an action of adjudication for debt or, if such an action has already been commenced, to take any steps other than the registration of a notice of litigiousity in connection with the action, the obtaining and extracting of a decree in the action, the registration of an abbreviate of adjudication and the completion of title to property adjudged by the decree.
- (2) An interim order under section 6(3) of this Act shall come into effect on intimation to the creditor under section 6(6)(b) of this Act and shall remain in effect until intimation of the sheriff's decision on the application for a time to pay order is made to the debtor and the creditor under section 7(4)(a) of this Act.
- (3) For the purposes of section 27 of this Act, the period during which such an interim order is in effect shall be disregarded in calculating the period during which a pouncing to which the interim order applies remains in effect.

### Textual Amendments

**F8** S. 8(1)(a) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, [Sch. 3 Pt. 1 para. 17\(3\)](#) (with s. 63)

## 9 Effect of time to pay order on diligence.

- (1) While a time to pay order is in effect, it shall not be competent—
  - (a) to serve a charge for payment; or
  - (b) to commence or execute any of the following diligences—
    - (i) an arrestment and action of furthcoming or sale;
    - [<sup>F9</sup>(ii) an attachment;]
    - (iii) an earnings arrestment;
    - (iv) an adjudication for debt,
- (2) On making a time to pay order, the sheriff in respect of the debt—
  - (a) shall make an order recalling any existing earnings arrestment;
  - (b) where the debt is being enforced by a conjoined arrestment order, shall—
    - (i) if he, or another sheriff sitting in the same sheriff court, made the conjoined arrestment order, vary it so as to exclude the debt or, where

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- no other debt or maintenance is being enforced by the order, recall the order;
- (ii) if a sheriff sitting in another sheriff court made the conjoined arrestment order, require intimation of the time to pay order to be made to a sheriff sitting there who shall so vary or, as the case may be, recall the conjoined arrestment order;
- (c) where an action of adjudication for debt has been commenced, shall make an order prohibiting the taking of any steps other than the registration of a notice of litigiousity in connection with the action, the obtaining and extracting of a decree in the action, the registration of an abbreviate of adjudication and the completion of title to property adjudged by the decree;
- (d) may make an order recalling <sup>F10</sup>[an attachment] ;
- (e) may make an order recalling or restricting any arrestment other than an arrestment of the debtor's earnings in the hands of his employer.
- (3) If <sup>F11</sup>[an attachment] or such an arrestment as is mentioned in subsection (2)(e) above is in effect, the sheriff may order that the making of a time to pay order or the recall of <sup>F12</sup>[the attachment] or the recall or restriction of the arrestment shall be subject to the fulfilment by the debtor of such conditions as the sheriff thinks fit.
- (4) Where the sheriff does not exercise the powers conferred on him by subsection (2)(d) or (e) above to recall a diligence, he shall order that no further steps shall be taken by the creditor in the diligence concerned other than, in the case of <sup>F13</sup>[an attachment, making a report of attachment under section 17 of the Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17) or applying for an order under section 20(1) of that Act.]
- (5) Any order made under subsection (2) or (4) above shall specify the diligence in relation to which it is made.
- (6) The sheriff shall not make an order under subsection (2)(d) or (e) above without first giving the creditor an opportunity to make representations.
- (7) The sheriff clerk shall, at the same time as he makes intimation under section 7(4)(a) of this Act—
- (a) intimate any order under subsection (2) or (4) above to the debtor and the creditor and the order shall come into effect on such intimation being made to the creditor;
- (b) intimate any order under subsection (2)(a) or (b) above to the employer.
- (8) While an order under subsection (4) above is in effect it shall not be competent to grant—
- (a) a warrant (other than an order under section <sup>F14</sup>20(1) or 22(3) of the Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17)) to sell articles which have been <sup>F15</sup>[attached] ;
- (b) a decree of furthcoming or sale of arrested property.
- (9) For the purposes of section <sup>F16</sup>24 of the Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17) , the period during which an order under subsection (4) above is in effect shall be disregarded in calculating the period during which <sup>F17</sup>[an attachment] to which the order applies remains in effect.
- (10) Where, before the making of a time to pay order in respect of a debt, a charge to pay that debt has been served—

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- (a) if the period for payment specified in the charge has not expired, the charge shall lapse on the making of the order;
  - (b) if that period has expired, nothing in the time to pay order nor in any order under this section shall affect retrospectively the effect of the charge in the constitution of apparent insolvency within the meaning of section 7 of the <sup>M6</sup>Bankruptcy (Scotland) Act 1985.
- (11) If, when a time to pay order in relation to a debt is made, any diligence enforcing it is in effect which is not specified in an order under subsection (2) or (4) above, the diligence shall remain in effect unless and until it is recalled under section 10(4) of this Act.
- (12) Where a time to pay order is recalled or ceases to have effect, otherwise than—
- (a) under section 12(2)(a) of this Act; or
  - (b) by the debt payable under the order being paid or otherwise extinguished,
- the debt in so far as it remains outstanding (including interest thereon, whether or not awarded as a specific sum in the decree) shall, subject to any enactment or rule of law to the contrary, become enforceable by any diligence mentioned in subsection (1)(b) above; and, notwithstanding section [<sup>F18</sup>25 of the Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17)] , in this subsection “diligence” includes, where the debt was, immediately before the time to pay order was made, being enforced by [<sup>F19</sup>an attachment] in any premises, [<sup>F20</sup>another attachment] in those premises.

#### Textual Amendments

- F9** S. 9(1)(b)(ii) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(a)** (with s. 63)
- F10** Words in s. 9(2)(d) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(b)** (with s. 63)
- F11** Words in s. 9(3) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, {Sch. 3 Pt. 1 para. 17(4)(c)(i)} (with s. 63)
- F12** Words in s. 9(3) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(c)(ii)** (with s. 63)
- F13** Words in s. 9(4) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(d)** (with s. 63)
- F14** Words in s. 9(8)(a) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, {Sch. 3 Pt. 1 para. 17(4)(e)(i)} (with s. 63)
- F15** Word in s. 9(8)(a) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(e)(ii)** (with s. 63)
- F16** Words in s. 9(9) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(f)(i)** (with s. 63)
- F17** Words in s. 9(9) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(f)(ii)** (with s. 63)
- F18** Words in s. 9(12) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(g)(i)** (with s. 63)
- F19** Words in s. 9(12) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(g)(ii)** (with s. 63)
- F20** Words in s. 9(12) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, **Sch. 3 Pt. 1 para. 17(4)(g)(iii)** (with s. 63)

#### Marginal Citations

- M6** 1985 c. 66.

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## 10 Variation and recall of time to pay order and arrestment.

- (1) The sheriff may, on an application by the debtor or the creditor—
  - (a) vary or recall a time to pay order if he is satisfied that it is reasonable to do so; or
  - (b) if [<sup>F21</sup>an attachment] or an arrestment in respect of the debt is in effect, recall [<sup>F22</sup>the attachment] or recall or restrict the arrestment.
- (2) If [<sup>F23</sup>an attachment] or an arrestment in respect of the debt is in effect, the sheriff may order that any variation, recall or restriction under subsection (1) above shall be subject to the fulfilment by the debtor of such conditions as the sheriff thinks fit.
- (3) The sheriff clerk shall as soon as is reasonably practicable intimate a variation under subsection (1) above to the debtor and to the creditor, and the variation shall come into effect on the date of such intimation.
- (4) Where, after a time to pay order has been made, it comes to the knowledge of the sheriff that the debt to which the order applies is being enforced by any of the diligences mentioned in section 9(1)(b) of this Act which was in effect when the time to pay order was made, the sheriff, after giving all interested parties an opportunity to be heard, may make—
  - (a) an order recalling the time to pay order; or
  - (b) any of the orders mentioned in subsection (2) or (4) of section 9 of this Act; and that section shall, subject to any necessary modifications, apply for the purposes of an order made under this paragraph as it applies for the purposes of an order made under either of those subsections.

### Textual Amendments

- F21** Words in s. 10(1)(b) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, [Sch. 3 Pt. 1 para. 17\(5\)\(a\)\(i\)](#) (with s. 63)
- F22** Words in s. 10(1)(b) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, [Sch. 3 Pt. 1 para. 17\(5\)\(a\)\(ii\)](#) (with s. 63)
- F23** Words in s. 10(2) substituted (30.12.2002) by [Debt Arrangement and Attachment \(Scotland\) Act 2002 \(asp 17\)](#), s. 61, [Sch. 3 Pt. 1 para. 17\(5\)\(b\)](#) (with s. 63)

## 11 Lapse of time to pay order.

- (1) If, on the day on which an instalment payable under a time to pay order becomes due, there remains unpaid a sum, due under previous instalments, of not less than the aggregate of 2 instalments, the order shall cease to have effect.
- (2) If at the end of the period of 3 weeks immediately following the day on which the last instalment payable under a time to pay order becomes due, any part of the debt payable under the order remains outstanding, the order shall cease to have effect.
- (3) If any sum payable under a time to pay order under section 5(2)(b) of this Act remains unpaid 24 hours after the end of the period specified in the order, the order shall cease to have effect.



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