

## **Draft STATEMENT OF INSOLVENCY PRACTICE 3A (SCOTLAND) 2013**

### **TRUST DEEDS**

#### **1 INTRODUCTION**

- 1.1 A Trust Deed is a voluntary deed granted by a debtor whereby the debtor conveys all or part of his estate to a named Trustee to be administered for the benefit of creditors and to effect the settlement of debts in whole or in part. The Trustee may seek to make the Trust Deed protected by following the relevant statutory procedures. A Trust Deed will not satisfy the requirements for protection unless it complies with the definition set out in section 5(4)(a) of the Bankruptcy (Scotland) Act 1985 (“the Act”) and satisfies the requirements in Regulation 6 of the Protected Trust Deed (Scotland) Regulations 2008 (“the Regulations”).
- 1.2 Creditors may agree or be deemed to agree to the Trust Deed. If the Trust Deed becomes protected, all creditors are bound by the terms laid down in the statutory provisions. However, if objections reach the prescribed levels the Trust Deed will not become protected.
- 1.3 The advice provided by an insolvency practitioner will be central to the decision taken by the debtor. Where the decision is to grant a Trust Deed and seek its protection the insolvency practitioner will take the necessary steps. The particular nature of an insolvency practitioner’s position renders transparency and fairness in all dealings of primary importance. The debtor and the creditors should be confident that an insolvency practitioner acts professionally and with objectivity. Failure to do so may prejudice the interests of both the debtor and creditors.
- 1.4 It is not competent in terms of the Act to have a conjoined Trust Deed signed by more than one party, and purporting to deal with the combined estates of more than one person. If all the estates are insolvent, individual Trust Deeds are required for each separate legal person. For example a partnership comprising three partners requires each individual and the partnership to sign a Trust Deed, totalling four separate Trust Deeds.
- 1.5 The insolvency practitioner should exercise his judgement and consider the extent to which these principles and procedures apply in the limited number of cases where there is no intention that the Trust Deed should become protected.

#### **2 PRINCIPLES**

- 2.1 In dealing with a debtor before and thereafter if a Trust Deed is signed, the insolvency practitioner should differentiate clearly to the debtor his role in providing initial advice from his responsibilities as Trustee. The debtor should be advised of the insolvency practitioner’s requirement to maintain independence. The insolvency practitioner should make it clear to the debtor that his duties as Trustee, once the Trust Deed is signed, cannot be influenced by the wishes of the debtor.

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- 2.2 An insolvency practitioner should ensure that the advice, information and explanations provided to a debtor about the options available are such that the debtor can make an informed judgement on which process to follow appropriate to his circumstances. An insolvency practitioner should also explain the debtor's responsibilities and the consequences of signing a Trust Deed.
- 2.3 If a Trust Deed is proposed, an insolvency practitioner should ensure that a fair balance is struck between the interests of the debtor and those of the creditors.
- 2.4 In the initial circular to creditors the insolvency practitioner should provide clear and accurate information to enable creditors to decide whether or not to object to the Trust Deed becoming protected and he should advise of the procedure for objections. At all times an insolvency practitioner should report clearly and in a manner that is easy to understand.

### 3 INITIAL CONSIDERATIONS AND REQUIREMENTS

- 3.1 The practice of insolvency is principally governed by statute and secondary legislation and is subject ultimately to the control of the Court. Where requirements are set out in statute or secondary legislation, an insolvency practitioner must comply with such provisions.
- 3.2 The special nature of insolvency appointments makes the payment for, or offer of any commission for, or the furnishing of any valuable consideration towards, the introduction of insolvency appointments inappropriate.
- 3.3 An insolvency practitioner should provide details and the cost of any work that has been carried out by an agent of the Trustee, prior to the signing of the Trust Deed that could otherwise be carried out by the office holder or his or her staff. There should be no additional cost to the estate from employing the agent. Any such payment to an agent should reflect the value of the work undertaken, comply with the Code of Ethics of the Authorising Body, comply with guidance issued by the Accountant in Bankruptcy on agents' fees claimed as outlays, and be approved in line with the provisions of SIP9 (Scotland).
- 3.4 In addition to the statutory requirements to provide documentation to creditors and the Accountant in Bankruptcy, the Trustee in the first written communication to all known creditors should provide details of the following matters:-
  - i. Where a payment has been made or is due to be made to a third party (whether by the insolvency practitioner or any other party) for work done prior to the signing of, or in the course of, the Trust Deed,
    - the name and address of the party carrying out the work
    - the name and address of the party making the payment and
    - the amount of the payment.
  - ii. Where the insolvency practitioner or his firm or any associate of either (as defined in section 74 of the Act or section 435 of the Insolvency Act 1986) has an interest in the agent's business that interest should be detailed.
  - iii. Where the basis of the remuneration is a fixed fee (including a percentage of contributions and/or realisations) this must be drawn to the attention of creditors. Creditors should be advised that one effect of the Trust Deed becoming protected is that the remuneration stated in the circular is deemed to have been approved.

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- iv. The anticipated cost to the estate of the Trustee's fee for the period of the Trust Deed together with a statement of the assumptions made in producing the estimate. Trustees are reminded that all fees and outlays must be approved in accordance with SIP9 (Scotland).

The Trustee should also advise the Accountant in Bankruptcy of the debtor's date of birth.

- 3.5 The attention of insolvency practitioners is drawn specifically to the terms of Regulation 18 of the Regulations in relation to the Trustee's remuneration.
- 3.6 Where the insolvency practitioner is consulted by two individuals who are either married, in a civil partnership, cohabiting or otherwise have a relationship which could give rise to a conflict of interest, the practitioner should ensure that each is assessed individually and offer advice based on each individual's own circumstances. Where the insolvency practitioner has been consulted by two or more parties and considers that there is a conflict of interest in the insolvency practitioner advising both or all parties, the insolvency practitioner should consider which appointment, if any, it is appropriate to accept.

## 4 KEY COMPLIANCE STANDARDS

- 4.1 Certain key compliance standards are of general application, but others will depend on whether the insolvency practitioner is acting as adviser or Trustee.

## 5 PROVISIONS OF GENERAL APPLICATION

### Advice to the debtor

- 5.1 In all cases the insolvency practitioner has ultimate responsibility for ensuring that the debtor has been given appropriate advice.
- 5.2 The insolvency practitioner should have procedures in place to satisfy himself that appropriate information and explanations are provided to the debtor at each stage of the Trust Deed process. He should set out clearly:
  - i. The key stages of the Trust Deed process (i.e. assessing the options available, signing and witnessing the Trust Deed, asset realisations, contributions, fee approval, discharge of the debtor and Trustee, and concluding the Trust Deed)
  - ii. the roles of the insolvency practitioner as adviser and as Trustee;
  - iii. The intended duration of the Trust Deed, any potential delays or complications, and the possibility and likelihood of extending the period of the Trust Deed;
  - iv. What is required of the debtor at each stage of the process;
  - v. The consequences of signing a Trust Deed including apparent insolvency, and the responsibilities of the debtor;
  - vi. The insolvency practitioner's assessment of the likelihood of the Trust Deed becoming protected, the consequences of it not becoming protected and the consequences of the debtor failing to comply with its terms.

### Assessment

- 5.3 The insolvency practitioner needs to be satisfied, that there are procedures in place to ensure that an assessment is made at an appropriate stage of:

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- i. Whether the debtor is being honest and open;
- ii. The debtor's understanding of the process, and commitment to it;
- iii. The attitude of key creditors and of the general body of creditors;
- iv. Whether a Trust Deed is an appropriate solution.
- v. Whether the Trust Deed will have a reasonable prospect of becoming protected.
- vi. Whether the EC Regulation on Insolvency Proceedings applies to the Trust Deed and, if so, whether the Trust Deed constitutes main or territorial proceedings.

### Meeting the debtor

- 5.4 Regular assessment should be made as to whether a face-to-face meeting with the debtor is required, which will be dependant on the debtor's attitude and the circumstances and complexity of the case.

### Documentation

- 5.5 The insolvency practitioner should be able to demonstrate that appropriate steps have been taken at all stages of the Trust Deed, by maintaining records of:
- i. Discussions with the debtor, the information and explanations provided, and the options outlined;
  - ii. Comments made by the debtor, and the debtor's preferred option;
  - iii. Any discussions with creditors or their representatives;
  - iv. The way in which any issues raised have been resolved.

Summaries of the records maintained under (i) and (ii) above should be sent to the debtor.

### Dealing with Assets and Contributions

- 5.6 The Trustee should follow the Accountant in Bankruptcy's guidance notes on Trust Deeds and sequestrations when dealing with assets. The Trustee should ensure that a comprehensive schedule of assets in which the debtor has an interest has been prepared, together with explanatory notes. The Trustee should take steps to satisfy himself as to the value of the assets.
- 5.7 If any asset is not going to be realised, or not realised in full, the reasons for this must be clearly explained in writing to creditors when the trust deed is presented to them for consideration for protection, or at any other time that such a decision is taken.
- 5.8 The Trustee should be aware that in order to achieve protected status, the Trust Deed must convey to the Trustee the debtor's whole estate with the exception of property which would be excluded from vesting in a sequestration, except that the Trust Deed may still become protected where the debtor's dwelling house is excluded in accordance with section 5(4A) of the Act.

- 5.9 Under Regulation 15 of the Regulations, the Accountant in Bankruptcy may give directions to the Trustee under a Protected Trust Deed as to how the Trustee should conduct the administration of the Trust Deed. Such directions can be issued by the Accountant in Bankruptcy on her own initiative or at the request of the Trustee, the debtor, or a creditor. The Trustee may appeal any such direction. The Trustee should comply with such directions insofar as they are not in conflict with the Trustee's duty to comply with legislative and statutory obligations.

## **6 PROVISIONS OF SPECIFIC APPLICATION**

- 6.1 The insolvency practitioner or a suitably experienced member of his staff should interview the debtor prior to the trust deed being signed. A face-to-face meeting should always be offered to the debtor but a telephone interview may be conducted in exceptional circumstances. It is recommended that the debtor be interviewed using a similar style of questionnaire as is used in sequestration proceedings under the Act. The questionnaire and appendices should be signed and dated by the debtor.
- 6.2 An assessment should be made as to whether a face-to-face meeting with the debtor is required, depending on the debtor's attitude and the circumstances and complexity of the case. If the debtor is carrying on a business the insolvency practitioner, or a suitably experienced member of staff, must visit the business premises as part of the information gathering and planning exercise.
- 6.3 Whether the debtor is interviewed in person or by telephone, the insolvency practitioner must satisfy himself that appropriate client identification and money laundering procedures have been completed and that relevant copy documentation is retained on the case file.
- 6.4 The debtor should be advised that it is an offence to make false representations or to conceal assets or to commit any other fraud for the purpose of obtaining creditor approval to the Trust Deed.
- 6.5 An insolvency practitioner may be approached to give advice on a debtor's financial difficulties, and the way in which those difficulties might be resolved. The insolvency practitioner should have procedures in place to ensure, taking account of the personal circumstances of the debtor, that:
- i. The role of adviser is explained to the debtor and that at this stage the insolvency practitioner is advising the debtor and acting in the debtor's interests but in the context of finding a workable solution to the debtor's financial difficulties;
  - ii. Sufficient information is obtained to make a preliminary assessment of the solutions available and their viability;
  - iii. It is explained that the debtor will need to cooperate and provide full disclosure. The insolvency practitioner should be able to form a view of whether the debtor has a sufficient understanding of the situation and the consequences, and whether there will be full co-operation in seeking a solution;
  - iv. When considering possible solutions, account is taken of the impact of each solution on the debtor and on any third parties that may be affected;
  - v. The debtor is provided with an explanation of the options available, so that the solution best suited to the debtor's circumstances can be identified. This information should be confirmed to the debtor in writing.
- 6.6. A full Statement of Affairs and Statement of Income and Expenditure must be prepared by the insolvency practitioner or, if prepared by a third party, checked by the insolvency

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practitioner. These statements must be agreed by the debtor who should be asked to sign the statements confirming such agreement.

- 6.7 The insolvency practitioner must ensure that the debtor is advised the dwelling house (the debtor's sole or main residence over which there is a secured loan) may be excluded from the Trust Deed and the Trust Deed may still qualify for protection. The insolvency practitioner must also ensure that the debtor is advised of the risks involved in excluding the dwelling house from the Trust Deed. In particular, if there is equity in the dwelling house and the debtor chooses to exclude the property the unsecured creditors may not agree to the Trust Deed becoming protected, and the implications thereof. The debtor should be asked to sign a separate statement confirming his understanding of the position and a copy of the statement should be sent to the debtor and one held on the case file.
- 6.8 Where heritable property is to be included in the Trust Deed the insolvency practitioner must ensure that the debtor is clearly advised that all such heritable property, including the debtor's home unless excluded, is covered by the Trust Deed. The debtor must also be advised that equity in the property at the start of the Trust Deed, or arising during the period of the Trust Deed requires to be realised for the benefit of the creditors unless there is minimum equity and creditors agree that such equity need not be realised.
- 6.9 The insolvency practitioner should quantify the equity in each property as accurately as possible before the debtor signs the Trust Deed.
- 6.10 The insolvency practitioner should be satisfied that a debtor has had adequate time to think about the consequences and alternatives before signing a Trust Deed. Insolvency practitioners are reminded that once signed, a trust deed is a binding obligation between debtor and Trustee and cannot be revoked.

### Dealing with Heritable Property & other Assets

- 6.11 The insolvency practitioner should obtain evidence of the ownership of any heritable property. If the debtor advises that he owns the property, either in whole or in part, a property search should be obtained to confirm the position. If the property is rented, evidence should be obtained e.g. production of a rent book or written confirmation from the landlord.
- 6.12 If the debtor owns the heritable property, in whole or in part, the Trustee should obtain a professional valuation except that where there is already a valuation from a reputable valuer, which the insolvency practitioner is satisfied remains current, the insolvency practitioner may accept such a valuation instead of obtaining a fresh valuation.
- 6.13 The Trustee's attention is drawn to the provisions in the Accountant in Bankruptcy's guidance notes relating to heritable property. Equity in all heritable property, must be established as soon as practicable, and in any event prior to the Trust Deed being presented to creditors, by obtaining a professional valuation, the surrender value of any assigned policies and confirmation of the secured liability.
- 6.14 A Trustee should try to reach agreement, as soon as possible, as to how the equity in heritable property will be realised. In realising the equity the Trustee should aim to achieve the best return to creditors in the circumstances of the case. The Trustee should record on the case file the reasons for his decisions in relation to the heritable property.
- 6.15 Where it is not possible to sell the property to a third party, in accordance with the Accountant in Bankruptcy's guidance notes, the Trustee should give consideration to accepting payment from a debtor's surplus income beyond the agreed term for income contribution payments. The subsequent payments would be treated as payments for the equity in the heritable property. Where it is proposed to extend the period for collection of contributions, the Trustee should advise creditors in writing of the period of the extension, the amount to be realised and the effect on creditors.

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- 6.16 The Trustee should consider seeking legal advice when dealing with an unequal split of a jointly owned heritable property.
- 6.17 If the Trustee disposes of or abandons his interest in heritable property, and a formal disposition or other conveyance has not been executed, he should issue a letter to the debtor stating the position and confirming that the property has been abandoned to the debtor. The Trustee should record the abandonment in the Register of Inhibitions.

### Contributions

- 6.18 The insolvency practitioner should carry out an independent assessment of the debtor's financial circumstances, including verification of income and major outlays, and agree in writing with the debtor the amount of any income contributions.
- 6.19 Where all, or part of, the contributions are to be paid by a third party the insolvency practitioner should try to enter into an enforceable written agreement with the third party for payment. The Trustee should recommend that the third party obtains independent legal advice.
- 6.20 The Trustee should advise the creditors that all or part of the payments are to be paid by a third party. He should advise whether an enforceable agreement has been entered into with the third party. He should also advise that if there is no enforceable agreement and the third party fails to make payment, the third party cannot be forced to pay.

### Trading

- 6.21 If the debtor owns or has an interest in a business, the Trustee should consider the manner in which he will deal with that business. The Trustee should consider whether trading should continue and if so, on what terms. If the Trustee decides to continue trading the debtor's business, such a decision should be supported by cash flow and trading forecasts. The Trustee must be able to demonstrate the matters considered and that his actions are in the best interests of creditors.
- 6.22 The Trustee will be responsible for any ongoing trading of the debtor's business, and must introduce appropriate controls. The Trustee should be aware that he may be personally liable for loss incurred where he continues trading after the Trust Deed has been signed and as a result the value of the estate is diminished.

## **7 MEETING OF CREDITORS**

- 7.1 There is no statutory requirement to call a meeting of creditors. If however the Trustee considers that it is in the interests of creditors such a meeting can be called.
- 7.2 The Trustee should record in the Sederunt Book all requests by creditors to hold a creditors' meeting. If the Trustee considers a meeting would be in the interest of creditors, a meeting should be convened. If a meeting is not convened the Trustee must record in writing in the Sederunt Book the reason for his decision.

## **8 ACCOUNTING, REPORTING AND REMUNERATION**

- 8.1 The Trust Deed should set out the basis on which the Trustee will be remunerated,
- 8.2 As a minimum requirement, accounts should be prepared to each anniversary of the signing of the Trust Deed and sent as soon as possible to the debtor, each creditor and the Accountant in Bankruptcy.

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- 8.3 Fees must be set out and taken in accordance with the provisions of the Trust Deed and comply with SIP9 (Scotland). Where there is a committee of creditors the accounts should be submitted to the committee for approval together with a claim for remuneration supported by evidence of time spent and a summary of work undertaken.
- 8.4 The Trustee must ensure that in the first written communication to creditors full disclosure is made of any amount paid or due to be paid to a third party for work done prior to the signing of or during the Trust Deed. Any such payment must be disclosed as an outlay in the Trust Deed accounts and cannot be claimed as remuneration of the Trustee. Where payments to an insolvency practitioner's firm, or to an associate as defined in section 74 of the Act or section 435 of the Insolvency Act 1986 are to be made such payments should be treated in the same way as remuneration payments to the Trustee and are subject to the same approval requirements.
- 8.5 In all cases a copy of the Trustee's accounts should be sent to creditors with a brief report on progress, stating the amount if any of previously notified fees which have been taken during the year. Where the Trustee's fees have not been fixed by the Accountant in Bankruptcy the Trustee should advise creditors of their right to have the accounts audited and fees fixed by the Accountant in Bankruptcy. The Trustee should delay payment of his fee until 14 days after the issue of the report to creditors.
- 8.6 Where there is a fixed fee (including a percentage of contributions and/or realisations) approval of the Trust Deed is deemed to be approval of the fees. In fixed fee cases fees should not be taken until 14 days have elapsed since the issue of the relevant circular and in any event not before the expiry of the 5 week period for objections to the Trust Deed becoming protected. In all other cases the Trustee is reminded that the notification to creditors of the Trustee's estimated fee as referred to in paragraph 3.4(iv) above does not amount to approval of the fee and that all fees must be properly approved in the course of the Trust Deed and in advance of being paid.
- 8.7 Where creditors were informed that the debtor had undertaken to pay regular contributions from income and payments equivalent to three consecutive months contributions have not been received, the creditors must be informed of this in the next annual report. The creditors should be advised of the reasons for non-payment, what action the Trustee has taken in respect of the missed contributions and the impact on the expected final return to creditors.
- 8.8 Where it becomes clear to the Trustee that the total fee payable will exceed the estimate provided in accordance with paragraph 3.4(iv) above by 25% or more the Trustee must advise the creditors and the debtor of this in the next annual report and provide revised estimates of the fee and of the dividend for unsecured creditors and an explanation for the variation of the fee.
- 8.9 Copies of all written communications to creditors must be sent to the debtor.
- 8.10 At the conclusion of the Trust Deed, a final statement of intromissions must be sent to creditors and the debtor, and in the case of a Protected Trust Deed, to the Accountant in Bankruptcy.
- 8.11 The acceptance of commissions from a third party by a Trustee during a Trust Deed represents a significant threat to objectivity. Such -commissions should only be accepted for the benefit of the Trust Deed estate and not for the benefit of the insolvency practitioner, his firm or any associate of either (as defined in section 74 of the Act or section 435 of the Insolvency Act 1986). Such payments should be reflected in the case accounts.



## **9 TRUST DEEDS FOR ENTITIES**

- 9.1 In addition to Trust Deeds for individuals, insolvency practitioners should be aware that partnerships, trusts and corporate and unincorporated bodies may enter into Trust Deeds.

### Partnership Trust Deeds

- 9.2 Although there should be little difference in the approach of Trustees, it must be borne in mind that a partnership Trust Deed is not a joint and several version of an individual Trust Deed entered into by an individual.
- 9.3 The Trust Deed is entered into by a partnership and by the partners of the partnership. As such, the estate conveyed to the Trustee is that of the partnership, not the estate of the partners as individual debtors, and does not extend to the partners' personal assets. Similarly, only the partnership's liabilities are included.
- 9.4 The granting of a partnership Trust Deed allows a Trustee to take swift control of the partnership's assets and provides the opportunity to preserve the business and perhaps achieve a going-concern solution.
- 9.5 It is open, in appropriate circumstances, for some or all of the partners of the partnership to sign individual Trust Deeds. If the insolvency practitioner considers that there is a possible conflict of interest, the insolvency practitioner should consider whether it is appropriate to accept appointment to all or any of the individual partners.

## **10 ENDING OF THE TRUST DEED**

### Protected Trust Deed Achieving its Purpose

- 10.1 The debtor should be discharged if he has met his obligations under the Trust Deed and if all assets have been realised and contributions paid. Once the Trustee has established that the debtor should be discharged, and any unexpired inhibition has been recalled, he should send notification of the debtor's discharge to the Accountant in Bankruptcy. He should issue a letter to the debtor confirming the debtor's discharge. The letter should advise the debtor of any debts that are not discharged.
- 10.2 Trustees should comply with the procedures for bringing the Protected Trust Deed to a close as detailed in the Regulations
- 10.3 The Trust Deed itself may contain provisions on bringing the Trust Deed to a close, in which case these should be followed in so far as they do not conflict with statutory procedure.

### Protected Trust Deed Not Achieving its Purpose

- 10.4 If the Trustee considers the Trust Deed is not achieving its purpose the Trustee must consider appropriate alternatives given the circumstances of the case and bearing in mind the interests of creditors.
- 10.5 When considering whether a debtor should be discharged, the Trustee must consider whether the conditions in Regulation 19(1) have been met.
- 10.6 If the Trustee decides not to grant the debtor's discharge in terms of Regulation 19(5), he must notify the debtor of his decision in writing. He must provide the reasons for his decision and advise the debtor of the implications of the discharge not being granted and of the debtor's right of appeal.

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- 10.7 The Trustee should also notify the creditors in writing of his decision not to grant the debtor's discharge and advise them of the reasons for his decision and the implications for creditors. In particular, he should advise creditors that the debtor has not been discharge of his liabilities. Thereafter the Trustee should seek his own discharge from creditors in terms of the Regulations.

### Trust Deed Failing to become protected

- 10.8 If the Trust Deed has failed to become protected, the Trustee should immediately inform the debtor in writing and advise the debtor of his options. The Trustee should also notify creditors of the position.
- 10.9 If the debtor's estate is subsequently sequestrated, the Trustee should conclude the Trust Deed and seek his discharge from creditors. If he is appointed Trustee in the subsequent sequestration he should take steps to ensure that the Trust is terminated (see 10.11 and 10.12)
- 10.10 In a Trust Deed which has not become protected, there is no statutory procedure for bringing the Trust Deed to a close. It is normal practice for a receipt for the final dividend to incorporate a discharge of the Trustee and a discharge of the debtor. Creditors who have not acceded to the Trust Deed have no requirement to grant a discharge to the debtor.

### Ending of the Trust, and subsequent sequestration

- 10.11 The granting of a Trust Deed creates a Trust. The Trustee should ensure that all assets are distributed in terms of the Trust Deed. It is generally accepted where there is a subsequent procedure such as sequestration that the Trust Deed is suspended and may revive on completion of the other procedure. The Trustee should therefore ensure that the style of Trust Deed used contains provisions for termination of the Trust in appropriate circumstances and he should adhere to those provisions.
- 10.12 In view of the possibility of the Trust reviving after the sequestration process has been completed the Trustee must have processes in place to deal with such an eventuality.

### Trust Deed not completed but no further process.

- 10.13 If the Trustee concludes that the terms of the Trust Deed will not be met
- i. in the case of a Protected Trust Deed he must withhold the debtor's discharge in terms of Regulation 19(5)
  - ii. in the case of an unprotected Trust Deed the Trustee should seek to discharge the debtor
  - iii. in either case the Trustee should seek his own discharge.

### Trust Deed contains provisions on termination

- 10.14 It is generally accepted that where the Trust Deed contains provisions on termination, such provisions if complied with will be effective in terminating the Trust Deed. Trustees should ensure that the style of Trust Deed used contains provisions for ending the Trust on sequestration and on final distribution.