

# Debtors (Scotland) Act 1987

### **1987 CHAPTER 18**

#### PART I

### EXTENSION OF TIME TO PAY DEBTS

Time to pay directions on granting decree

### 1 Time to pay directions.

- (1) Subject to subsections (3) to (5) below and to section 14 of this Act, [Flon an application by the debtor,] the court [Flor the First-tier Tribunal], on granting decree for payment of any principal sum of money [Flor], shall, if satisfied that it is reasonable in all the circumstances to do so, and having regard in particular to the matters mentioned in subsection (1A) below,] direct that any sum decerned for in the decree (including any interest claimed in pursuance of subsections (6) and (7) below) or any expenses in relation to which the decree contains a finding as to liability or both such sum and such expenses shall be paid—
  - (a) by such instalments, commencing at such time after the date of intimation by the creditor to the debtor of an extract of the decree containing the direction, 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 court [F2 or the First-tier Tribunal] may specify in the direction.

## [F4(1A) The matters referred to in subsection (1) above are—

- (a) the nature of and reasons for the debt in relation to which decree is granted;
- (b) any action taken by the creditor to assist the debtor in paying that debt;
- (c) the debtor's financial position;
- (d) the reasonableness of any proposal by the debtor to pay that debt; and
- (e) the reasonableness of any refusal by the creditor of, or any objection by the creditor to, any proposal by the debtor to pay that debt.]
- (2) A direction under subsection (1) above shall be known as a "time to pay direction".

- (3) Where a court [F5 or the First-tier Tribunal] grants a decree which contains a finding as to liability for expenses but does not at the same time make a time to pay direction, then (whether or not the decree also decerns for payment of the expenses), it shall not at any time thereafter be competent for the court [F5 or the First-tier Tribunal] to make a time to pay direction in relation to those expenses.
- (4) Where a court [F6 or the First-tier Tribunal] grants a decree which contains a finding as to liability for expenses and makes a time to pay direction in relation to those expenses but—
  - (a) does not decern for payment of the expenses; or
  - (b) decerns for payment of the expenses as taxed by the auditor of court [F7 or auditor of the Court of Session] but does not specify the amount of those expenses,

in relation to so much of the time to pay direction as relates to the expenses, the reference in subsection (1) above to the date of intimation of an extract of the decree containing the direction shall be treated as a reference to the date of intimation of an extract of a decree decerning for payment of the expenses, being an extract specifying their amount.

- (5) It shall not be competent for the court [F8 or the First-tier Tribunal] to make a time to pay direction—
  - (a) where the sum of money (exclusive of any interest and expenses) decerned for exceeds £10,000 or such amount as may be prescribed in regulations made by the Lord Advocate;
  - (b) where the decree contains an award of a capital sum on divorce or on the granting of a declarator of nullity of marriage;
  - (c) in connection with a maintenance order;
  - F9[(cc) in connection with a liability order within the meaning of the Child Support Act 1991:]
    - (d) in an action by or on behalf of [F10]the Commissioners for Her Majesty's Revenue and Customs] for payment of any sum recoverable [F11]under or by virtue of any enactment or under a contract settlement];
  - [F12(da) in an action by or on behalf of Revenue Scotland for payment of any sum recoverable under or by virtue of the Revenue Scotland and Tax Powers Act 2014 (asp 16) or any other enactment in respect of a devolved tax, under a contract settlement or under a settlement agreement,]

<sup>F13</sup> (e)	
(f)	in an action for payment of—
. ,	F14(i)
	(ii) car tax due under the MICar Tax Act 1983 F15;
	F16(iii)
	F17(iv)

- (6) Without prejudice to section 2(5) of this Act, interest payable under a decree containing a time to pay direction (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.
- (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

[F18] or the First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2017] occurring—

- (a) in the case of a direction under subsection (1)(a) above, before the date when the last instalment of the debt concerned (other than such interest) is payable under the direction;
- (b) in the case of a direction under subsection (1)(b) above, before the end of the period specified in the direction,

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 direction 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.
- [F19(8A) In paragraph (d) of subsection (5) above, "contract settlement" means an agreement made in connection with any person's liability to make a payment to the Commissioners for Her Majesty's Revenue and Customs under or by virtue of any enactment.]
- [F20(8B) In paragraph (da) of subsection (5)—

"contract settlement" means any agreement made in connection with any person's liability to make a payment to Revenue Scotland under or by virtue of the Revenue Scotland and Tax Powers Act 2014 (asp 16) or any other enactment in respect of a devolved tax,

"devolved tax" has the meaning given by section 80A(4) of the Scotland Act 2012 (c. 46),

"settlement agreement" has the meaning given by section 246(1) of the Revenue Scotland and Tax Powers Act 2014 (asp 16).]

### **Textual Amendments**

- F1 Words in s. 1(1) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), ss. 210(2)(a)(i), 227(3) (with s. 223); S.S.I. 2008/115, art. 3(1)(g) (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- **F2** Words in s. 1(1) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(2)(a)**
- F3 Words in s. 1(1) substituted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), ss. 210(2)(a)(ii), 227(3) (with s. 223); S.S.I. 2008/115, art. 3(1)(g) (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- F4 S. 1(1A) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), ss. 210(2) (b), 227(3) (with s. 223); S.S.I. 2008/115, art. 3(1)(g) (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- Words in s. 1(3) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, 2(2)(a)
- Words in s. 1(4) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(2)(b)(i)**
- F7 Words in s. 1(4) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(2)(b)(ii)**

- Words in s. 1(5) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(2)(a)**
- F9 S. 1(5)(cc) inserted (5.4.1993) by Child Support Act 1991 (c. 48, SIF 20), s. 58(13), Sch. 5 para. 8(2) (with s. 9(2)); S.I. 1992/2644, art. 2.
- **F10** Words in s. 1(5)(d) substituted (18.4.2005) by Commissioners for Revenue and Customs Act 2005 (c. 11), s. 53(1), **Sch. 4 para. 33**; S.I. 2005/1126, art. 2(2)(h)
- F11 Words in s. 1(5)(d) substituted (23.11.2009) by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 13(1) (a); S.I. 2009/3024, art. 3 (with art. 5)
- F12 S. 1(5)(da) inserted (1.4.2015) by Revenue Scotland and Tax Powers Act 2014 (asp 16), s. 260(2), sch. 4 para. 1(2)(a) (with ss. 257-259); S.S.I. 2015/110, art. 2(1)
- F13 S. 1(5)(e) repealed (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), ss. 209(2)(a), 227(3) (with s. 223); S.S.I. 2008/115, art. 3(1)(g) (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- F14 S. 1(5)(f)(i) omitted (23.11.2009) by virtue of Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 13(1) (b); S.I. 2009/3024, art. 3 (with art. 5)
- F15 Word in s. 1(5)(f) ceased to have effect (6.4.1999) by virtue of 1998 c. 14, s. 86(1), Sch. 7 para. 12(a); S.I. 1999/526, art. 2(3)(4)(b) and repealed (1.6.1999) by 1998 c. 14, s. 86(2), Sch. 8; S.I. 1999/1510, art. 2(f)(ii)
- F16 S. 1(5)(f)(iii) omitted (23.11.2009) by virtue of Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 13(1) (b); S.I. 2009/3024, art. 3 (with art. 5)
- F17 S. 1(5)(f)(iv) omitted (23.11.2009) by virtue of Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 13(1) (b); S.I. 2009/3024, art. 3 (with art. 5)
- **F18** Words in s. 1(7) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(2)(c)**
- **F19** S. 1(8A) inserted (23.11.2009) by Finance Act 2008 (c. 9), s. 129(4), **Sch. 43 para. 13(1)(c)**; S.I. 2009/3024, art. 3 (with art. 5)
- F20 S. 1(8B) inserted (1.4.2015) by Revenue Scotland and Tax Powers Act 2014 (asp 16), s. 260(2), sch. 4 para. 1(2)(b) (with ss. 257-259); S.S.I. 2015/110, art. 2(1)
- S. 1(9) repealed (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), ss. 209(2)
  (b), 227(3) (with s. 223); S.S.I. 2008/115, art. 3(1)(g) (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)

### **Marginal Citations**

M1 1983 c. 53.

### 2 Effect of time to pay direction on diligence.

- (1) While a time to pay direction 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;

I<sup>F22</sup>(ii) an attachment;]

- (iii) an earnings arrestment;
- (iv) an adjudication for debt,

[F23(v) a money attachment;

- (vi) a land attachment;
- (vii) a residual attachment,]

to enforce payment of the debt concerned.

- (2) While a time to pay direction is in effect an arrestment used on the dependence of the action or in security of the debt concerned shall remain in effect—
  - (a) if it has not been recalled; and
  - (b) to the extent that it has not been restricted under subsection (3) below, but, while the direction is in effect, it shall not be competent to commence an action of furthcoming or sale following on such an arrestment.
- [F24(2A)] Where the arrestment which remains in effect as mentioned in subsection (2) above is an arrestment such as is mentioned in subsection (1) of section 73J of this Act, while the time to pay direction is in effect—
  - (a) it shall not be competent to release funds under subsection (2) of that section;
  - (b) the period during which the direction is in effect shall be disregarded for the purposes of determining whether the period mentioned in subsection (3) of that section has expired.
  - (2B) While a time to pay direction is in effect an interim attachment shall remain in effect—
    - (a) if it has not been recalled; or
    - (b) to the extent that it has not been restricted under subsection (3) below.]
    - (3) The court [F25] or the First-tier Tribunal] may, on making a time to pay direction, recall or restrict [F26] an interim attachment or] an arrestment of the kind described in subsection (2) above.
  - (4) If [F27] an interim attachment or] an arrestment of the kind described in subsection (2) above is in effect, the court [F28] or the First-tier Tribunal] may order that the making of a time to pay direction and the recall or restriction of the [F29] interim attachment or] arrestment shall be subject to the fulfilment by the debtor of such conditions within such period as the court [F28] or the First-tier Tribunal] thinks fit; and, where the court [F28] or the First-tier Tribunal] so orders, it shall postpone granting decree until such fulfilment or the end of that period, whichever is the earlier.
  - (5) Where a time to pay direction is recalled or ceases to have effect, otherwise than—
    - (a) under section 12(2)(a) of this Act; or
    - (b) by reason of the debt concerned being paid or otherwise extinguished, the debt in so far as it remains outstanding and 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.

# [F30(5A)] Where—

- (a) a time to pay direction is recalled or ceases to have effect as mentioned in subsection (5) above; and
- (b) an arrestment such as is mentioned in section 73J(1) of this Act is in effect, the clerk of court[F31, sheriff clerk or, in relation to time to pay directions made by the First-tier Tribunal, a member of administration staff of the First-tier Tribunal] shall intimate the fact of that recall or cessation to the arrestee.]

### **Textual Amendments**

**F22** S. 2(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(2)** (with s. 63)

- F23 S. 2(1)(b)(v)-(vii) inserted (23.11.2009 for specified purposes) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(2)(a) (with s. 223); S.S.I. 2009/369, art. 3(2)(3), sch. (with art. 4) (which transitional provisions in art. 4 are revoked (31.1.2011) by S.S.I. 2011/31, art. 5(c))
- F24 S. 2(2A)(2B) inserted (1.4.2008 for specified purposes, 22.4.2009 in so far as not already in force) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(2)(c) (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3); S.S.I. 2009/67, art. 3(2)(3), sch. 1 (with arts. 4-6) (as amended (31.1.2011) by S.S.I. 2011/31, art. 5(b))
- **F25** Words in s. 2(3) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(3)(a)**
- **F26** Words in s. 2(3) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(2)(d) (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- **F27** Words in s. 2(4) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), **sch. 5 para. 16(2)(e)(i)** (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- **F28** Words in s. 2(4) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(3)(a)**
- **F29** Words in s. 2(4) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(2)(e)(ii) (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- **F30** S. 2(5A) inserted (22.4.2009) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(2)(f) (with s. 223); S.S.I. 2009/67, art. 3(2)(3), sch. 1 (with arts. 4-6) (as amended (31.1.2011) by S.S.I. 2011/31, art. 5(b))
- Words in s. 2(5A) substituted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(3)(b)**

### 3 Variation and recall of time to pay direction and arrestment.

- (1) The court which granted a decree [F32, or the First-tier Tribunal, where it has made an order,] containing a time to pay direction may, on an application by the debtor or the creditor—
  - (a) vary or recall the direction if it is satisfied that it is reasonable [F33 in all the circumstances] to do so; or
  - (b) if [F34an interim attachment or] an arrestment in respect of the debt concerned is in effect, recall or restrict the [F35interim attachment or] arrestment.
- (2) If [F36an interim attachment or] an arrestment in respect of the debt concerned is in effect, the court [F37 or the First-tier Tribunal] 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 court [F37 or the First-tier Tribunal] thinks fit.
- (3) The clerk of court[F38, sheriff clerk or, in relation to time to pay directions made by the First-tier Tribunal, a member of administration staff of the First-tier Tribunal] 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.

#### **Textual Amendments**

- **F32** Words in s. 3(1) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, **2(4)(a)**
- **F33** Words in s. 3(1)(a) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(3)(a) (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- **F34** Words in s. 3(1)(b) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), **sch. 5 para. 16(3)(b)(i)** (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- F35 Words in s. 3(1)(b) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(3)(b)(ii) (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- F36 Words in s. 3(2) inserted (1.4.2008) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), s. 227(3), sch. 5 para. 16(3)(c) (with s. 223); S.S.I. 2008/115, art. 3(2)(3), sch. 1 (with arts. 4-6, 10, 15) (as amended: (23.2.2009) by S.S.I. 2009/67, art. 7; (31.1.2011) by S.S.I. 2011/31, art. 5(a); and (4.10.2014) by S.S.I. 2014/173, arts. 1(2), 3)
- F37 Words in s. 3(2) inserted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, 2(4)(b)
- Words in s. 3(3) substituted (6.3.2019) by The First-tier Tribunal for Scotland Housing and Property Chamber (Incidental Provisions) Regulations 2019 (S.S.I. 2019/51), regs. 1, 2(4)(c)

### 4 Lapse of time to pay direction.

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

### (4) Where—

- (a) a decree for payment of a principal sum of money contains a finding as to liability for expenses and decree for payment of the expenses is subsequently granted; and
- (b) a time to pay direction is made in relation to both the principal sum and the expenses,

if under subsections (1) to (3) above the direction ceases to have effect in relation to the sum payable under either of the decrees, the direction shall also cease to have effect in relation to the sum payable under the other decree.

### **Changes to legislation:**

Debtors (Scotland) Act 1987, Cross Heading: Time to pay directions on granting decree is up to date with all changes known to be in force on or before 19 April 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.

View outstanding changes

### Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Act applied (with modifications) by S.I. 2018/1125 reg. 8 (This amendment not applied to legislation.gov.uk. S.I. 2018/1125, reg. 8 omitted (31.12.2020) by virtue of Private International Law (Implementation of Agreements) Act 2020 (c. 24), s. 4(3), Sch. 5 para. 4(4))

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 8(1)(d)(e) substituted for s. 8(1)(d) by 2007 asp 3 Sch. 5 para. 16(7)(a)(v)