



**Isle of Man**  
**Government**

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# The Collection of Civil Debt

Consultation on Policy Options  
Phase 1

The Treasury

20th November 2017

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## Background and Introduction

The effectiveness of the current legislative and organisational framework in respect of the collection of debts on the Isle of Man has been the subject of periodic review since 1995 when a first report by the then Value for Money Committee was published.

Various other reports and indeed draft legislative proposals have been brought forward in the following years through numerous working groups and through Government and Private Member promoted Bills.

Legislative proposals focussed on a wide spectrum of issues including the introduction of private licensed debt collectors, new insolvency laws, the creation of an insolvency service office under the control of an “official receiver” role and reforming the organisational structure and role of the coroners.

A Private Members’ Bill was enacted in 2012 which attempted to tackle a number of these issues. However, the Treasury has been unable to find a solution to the underlying issues surrounding its implementation, and interaction with other reform proposals noted, which provides a more effective and cost efficient approach to debt collection for all parties involved.

The revised approach now outlined within this document seeks to both build upon the previous work undertaken and also provide a more structured and phased approach for reform.

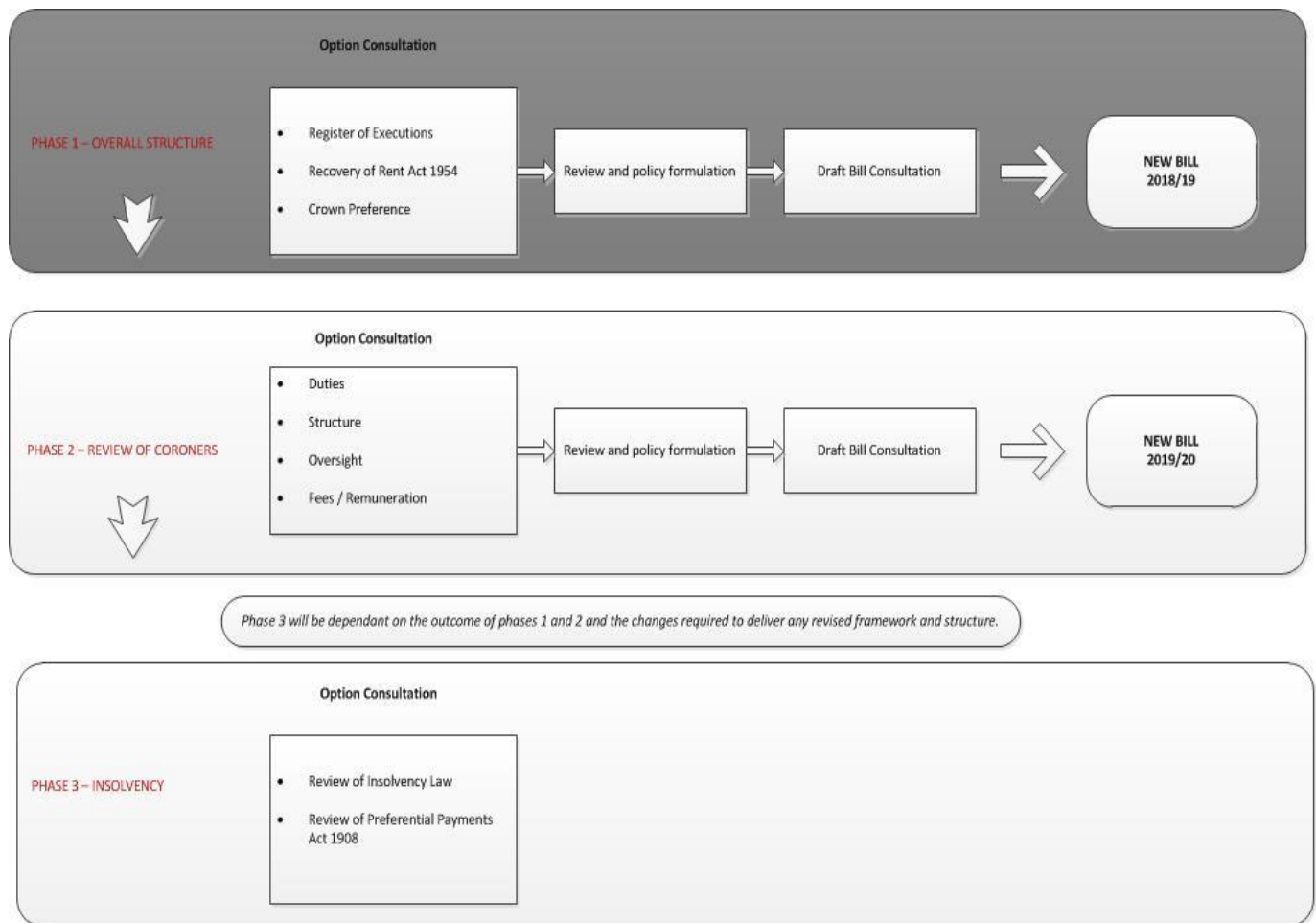
The work outlined constitutes a wide reaching re-evaluation covering all relevant underlying legislation, organisational framework and procedures relating to the collection of civil debt (as defined for the purpose of this document within the glossary).

The proposals consist of a number of phased workstreams as outlined in *Table 1*.

This document contains details regarding the initial phase which concentrates on reviewing and improving the underlying framework of how debts are recorded and made accessible. It also offers options in areas that effect how debts are then recovered by the coroners.

If changes are proposed following this initial consultation, they would require new primary legislation to implement them. If appropriate, the Treasury will therefore promote a draft amending Bill following consideration of all relevant issues raised. The draft Bill will be subject to further full public consultation.

**Table 1 – phased approach**



## Further Phases

Following the progression of an initial Bill, the Treasury will further outline options for reviewing the current coroner structure. This phase will seek to address the concerns that have long been evident about the effectiveness of current enforcement provisions. All the reviews undertaken into the role of the coroners in enforcement have outlined that collecting monies can be difficult whether it be from individuals or corporate bodies. Work here will therefore consider the scope of the coroners’ duties and whether additional powers could be provided. A similar approach will be undertaken to gather views and subsequently bring forward an amending Bill if appropriate.

The third phase will consider options for reviewing the current insolvency framework and all related legislation. The timing of this work will be dependent on the outcome of the preceding phases.

In addition, the Treasury is working closely with the Isle of Man Financial Services Authority to develop a framework to enable the Government to resolve domestic systemically important banks (what effectively relates to the introduction of specific bank insolvency law). Although this is

separate from general insolvency law, any relevant research undertaken as part of this will be integrated into the work to be undertaken in phase 3.

A [Glossary](#) is included within this document which provides explanation and interpretation of the terms used.

## **Phase 1 – Overall Structure**

Three main policy options have been identified within phase 1 and comments are now being sought which will be carefully considered when considering the scope and content of a draft Bill.

### **Option 1 – Register of Executions**

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Should a revised Register of Executions be developed and introduced?

### **Option 2 – Crown Preference**

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Should Government retain a preference over other creditors when recovering certain debts?

### **Option 3 – The Recovery of Rent Act 1954**

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Should landlords retain a preference over other creditors in relation to the payment of rent?

The Treasury recognises the potential benefits and supports the introduction of a revised Register of Executions under option 1, subject to feedback regarding scope, format and access.

The options outlined with regard to Crown preference and [the Recovery of Rent Act](#), are intended to gain the views of any interested persons or bodies on a number of key overarching policy issues. Feedback will then be closely considered in determining whether, and to what extent, further proposals will be included in any draft Bill.

## **Option 1 - Register of Executions**

### **Overview**

- 1.1 Creditors seeking recovery of monies owed can pursue this in a variety of ways. One commonly used method is to seek a court judgment.
- 1.2 Judgments handed down by the courts can be enforced by coroners subject to the judgment creditor applying for execution by either filing a written request or when judgment is determined at the trial/hearing. Provided no stay has been granted, the court can grant execution for the amount plus interest (if any) and costs.
- 1.3 Debts subject to execution and placed with the coroner are enforced subject to preference under the [Preferential Payments Act 1908](#) (PPA) and the [Debtors Act 1820](#) but otherwise by the date by which they are received by the relevant coroner. Existing preference is explored further under [Crown Debts](#).
- 1.4 At present a register of such Court Executions is available for inspection in hard copy through the IoM General Registry at the Courts of Justice building during working hours.

- 1.5 In addition, the IoM General Registry provides limited data on such default judgments to a UK not for profit organisation named [Registry Trust Ltd](#) (RTL). Amongst its functions, RTL operates a service called Trust Online which offers a fully searchable electronic register of Judgments, Orders and Fines in England and Wales (and other affiliated jurisdictions such as the IoM).
- 1.6 Information which can be supplied by the IoM General Registry is however limited by statute which also prevents changes to the current hard copy arrangements.

### **Options for a revised register**

- 1.7 The Treasury believes that a key initial step in tackling the wider issues regarding debt management and recovery is the creation of a new fully accessible IoM Register of Default Judgments, Orders and Fines which has a statutory basis and is open and accessible to all electronically.
- 1.8 Information would be available to anyone on any Isle of Man business or individual (or on themselves), by providing the necessary search details and paying an appropriate fee.
- 1.9 Additionally the operator of the IoM Register would make information available, in bulk, to commercial organisations e.g. credit reference agencies, as it does for its existing services.
- 1.10 In order that the Isle of Man Register is accessible and as effective as that in England and Wales, it is envisaged that it will be operated on behalf of the Isle of Man Government by a third party.
- 1.11 As outlined, the IoM General Registry already provides data to RTL for certain default judgements and this existing relationship could be extended to meet any requirement for a more extensive IoM register.
- 1.12 At present, High Court Judgments and Tribunal Awards (unlike the position in England and Wales), cannot be included under current legislative provisions which also require hard copy lists to be maintained by the IoM General Registry and made available at their specified premises. This fragmented approach is ineffective for both Government and importantly for those seeking to access a "one stop" overview of all available data.
- 1.13 It is also anticipated that, as new systems are developed and brought online during 2018, additional data on fines imposed will be available for publication by RTL, or any other agreed third party.
- 1.14 The extended register would: reduce costs and risk to Government; provide further incentive for payment by providing easy access to information also aiding data collection by credit reference agencies; and assist with future proofing, good practice and compliance from an information management and data protection perspective.

- 1.15 Data security is a key issue and the use of personal data must be compliant with Data Protection legislation. New law, through the General Data Protection Regulation (GDPR), will come into effect in May 2018 and will make it more critical that robust procedures are in place to ensure the accuracy of data held. By using RTL the IoM will be able to have confidence that all necessary steps are taken by a body, or any other compliant third party organisation, that has significant experience of data sharing and regulatory compliance.
- 1.16 If the IoM Government was to seek to set up its own new register to meet the GDPR it would be necessary to invest significant resources both in IT and officer time and also set up separate agreements with the Credit Reference Agencies. The need to address these issues, together with the anticipated low level of searches, means it is not considered a cost effective alternative to engagement with RTL or any other agreed third party.

### **Crown Debts**

- 1.17 The Treasury recognises that if a revised register is to provide a clear and fully transparent representation of all debt, it should also include all those debts being pursued by Government.
- 1.18 At present, the Treasury raises “warrants” for debts incurred in respect of certain Income Tax or Customs and Excise liabilities. For example, under statute, the Customs and Excise Division is able to raise Treasury warrants for VAT and gambling duty debts, but not other liabilities including Customs or Excise duties.
- 1.19 These warrants have the same legal status as judgments passed down from the High Court and they are delivered directly to the coroners for execution.
- 1.20 Treasury warrants are not entered onto the existing judgments register and are therefore not visible to other creditors when considering the options for recovery of debt.
- 1.21 The issuing of Treasury warrants in this manner was introduced to provide an alternative method of debt recovery which avoided the need to bring the matter to court as such action was incurring increasing costs to Government (and in turn taxpayers) whilst also placing unsustainable demands on court time.
- 1.22 This warrant process only applies to certain statutory debts pursued by the Treasury. All other debts which the Government seeks to recover must be pursued through the courts.
- 1.23 Debts raised through the Treasury warrant process are classified as Crown debts. Crown debts are defined by statute<sup>1</sup> and currently enjoy preferential status over other debts i.e. amounts due are payable from a debtor’s assets ahead of any others.
- 1.24 The Treasury does not believe that the current practice of issuing warrants needs to be amended or replaced. However, comments are sought regarding how they are treated in terms of priority (see [Option 2](#)) and here in terms of how they are publicised.

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2. For example section 144(1) of the [Customs and Excise Management Act 1986](#); section 97 of the [Income Tax Act 1970](#); section 1A(4) of the [Income Tax \(Instalment Payments\) Act 1974](#); Schedule 12, paragraph 5 of the [Value Added Tax Act 1996](#).

- 1.25 In order that all outstanding debt can be assessed by interested parties, the Treasury could include warrants it has issued, and which are executable by the coroners, on a revised register. To accommodate this, changes will be necessary to existing legislation and new provisions will be required within the proposed Bill. Warrants would still be raised by the Treasury in the same manner, but they would not be executable by the coroners until they are entered on the revised register.
- 1.26 Any changes introduced would require further consideration regarding transitional arrangements to ensure preference for existing judgments are protected where appropriate.

### **Access and costs**

- 1.27 Access to the revised register would be via RTL's current arrangements through the website [www.trustonline.org.uk](http://www.trustonline.org.uk). Users are required to pay the relevant one-off fee or set up account facilities with RTL.
- 1.28 The current standard pricing details are:
- One search on a Register or section of the England and Wales Register £ 4.00
  - Two Registers and/or sections of the England and Wales Register £ 8.00
  - Three or more Registers and/or sections of the England and Wales Register £ 10.00
- 1.29 Government or an individual/company can therefore easily check the credit status of an individual/company that they intend doing business with thus potentially reduce the risk of bad debt. Users will also be able to subsequently consider the likelihood of being paid before issuing legal proceedings or taking steps to enforce judgment, thereby managing expectations of the coroners.
- 1.30 Information on the RTL website advises each search made will be against a single name or trading style at a single specified address or against a limited company. Searches can be requested against any of the Registers held by RTL.
- 1.31 Charges for accessing the Register will be monitored so that they are not increased unduly without consultation with the Treasury who will seek to ensure that any increases are at appropriate levels to reflect the cost of provision.
- 1.32 As access to the revised register will be available 24 hours a day electronically and will accurately reflect current judgments, the hard copy register currently maintained by the IoM General Registry and available from the Courts of Justice building, will be discontinued.

### **Summary**

- A new "Executions Register" could be introduced to include all default judgments, including those issued by the High Court, fines and tribunal awards.
- The Register would be maintained by a third party (currently RTL) and be available on-line for a fee set by the third party but subject to local safeguards over costs.

- The current hard copy register maintained by the IoM General Registry would be discontinued.
- In order to provide full visibility of all debts, warrants issued by the Treasury could also be included on the revised register.
- Transitional arrangements will be considered and outlined in further detail during consultation on a subsequent draft Bill.

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### *Questions for Option 1 – Register of Executions*

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- i) Do you agree that a revised register as outlined would be beneficial and, if so, how?**
- ii) Do you envisage any practical implications with the proposed arrangements for the revised register (costs, digital exclusion etc.)?**
- iii) Should the Treasury include warrants issued to recover debt on a revised register?**
- iv) Do you envisage any implications for individuals / businesses through further data being available to credit reference agencies regarding executions made?**

## **Option 2 - Crown Preference**

### **Overview**

- 2.1 As noted under [Option 1](#), in order to provide a single complete list of outstanding enforceable executions, the Treasury would have the option to include warrants it has issued.
- 2.2 The [Preferential Payments Act 1908](#) (PPA) sets out the order in which debts are payable in accordance with the priority of creditors. At present, warrants issued by the Treasury (classed as Crown debts under section 3(a) of the PPA), have preferential payment status. This means that coroners enforcing judgments must recover debts raised through warrants ahead of any other non-preferred judgments issued by the courts.
- 2.3 Crown preference is historic and is based on a number of underlying principles. For example, unlike private creditors, taxing authorities are involuntary creditors, unable to choose their debtor or obtain security for debt before extending credit. The preference could therefore be seen as compensation for this disadvantage of being a “non-pressing” creditor.



- 2.4 A further argument could be raised with regard to taxes for which the debtor is seen to be acting as the government's tax collector e.g. for VAT in that, if no priority is imposed, the moneys collected by the debtor through tax charged to the customer may increase that available for the benefit of unsecured creditors. In these circumstances, the tax priority could be seen to operate to prevent a windfall to general unsecured creditors who have no fair claim to the collected funds.
- 2.5 The Treasury believes that it is vital that all taxpayers meet their obligations and that the right tax is charged and is payable at the right time. Collecting revenue from direct and indirect taxation in a timely manner is vital to ensuring that The Programme for Government can be delivered and an annual balanced budget can be reached. Removing Crown preference may possibly affect revenue receipts, increase legal costs for recovery and could shift the burden of a debtor's unpaid taxes to other taxpayers.
- 2.6 Conversely, it is recognised that the existing preference may restrict the ability for other creditors to recover debts and this may have a negative overall effect on the local economy.
- 2.7 The Treasury is therefore seeking views on whether the existing preferred status for Crown debts should continue. If preference is removed, all such debts would rank alongside other unsecured creditors in keeping with the date of execution. Further consideration would be needed as to how such debts could be actioned by the coroners, dependant on whether or not they are entered to a revised register (as outlined under option 1).
- 2.8 A further option for consideration may be to limit the scope of preference for Crown debt. For example, preference could remain when warrants are executed, but this could be limited to a period of months. If the debt is not recovered after that period, the debt could lose its preference.
- 2.9 As previously noted, significant further work will be required to achieve fair and transparent transitional arrangements if a move away from Crown preference is progressed. This would be progressed and consulted upon as part of any subsequent draft legislation produced.

### **Summary**

- The Treasury issues warrants, separate to the Courts, to recover debts. These warrants are not recorded on the existing Executions Register.
- Treasury warrants are currently passed directly to coroners and are not visible to other creditors.
- Treasury Warrants (classed as Crown debts) have priority over other non-preferred creditors.
- All other Government debts rank alongside other non-preferred creditors.

v) **Do you believe Crown preference should be amended?**

vi) **If yes, should:**

a. **The preference be removed in entirety?**

b. **Limitations be placed on the level or scope of the preference?  
(Please outline)**

## **Option 3 - The Recovery of Rent Act 1954**

### **Overview**

- 3.1 The [Recovery of Rent Act 1954](#) (the Act), currently provides that a tenant with an execution against them must be left with sufficient funds to meet their current rent costs for up to 12 months.
- 3.2 This legislation, which sits outside the PPA, provides a level of specific protection for landlords even when other debts have been progressed to judgment and execution. Such a preference, ensuring that landlords will continue to receive rent even if debts are pursued against their tenants, appears unique to the Isle of Man.
- 3.3 The same “safeguard” is not in place for debtors who are making mortgage payments. Coroners are empowered to recover executed judgment against debtors regardless of any ongoing mortgage commitments a debtor may have.
- 3.4 It could be equally contended that those able to invest in property are better placed than those in the rental market, possibly having some capital asset to fall back on.
- 3.5 Section 4 of the Act states:

#### **"4 Landlord's preference**

*(1) When the respective priorities of creditors are to be ascertained, there shall be paid in priority to all debts, save as provided by section 3 of the Preferential Payments Act, 1908, all rent out of any holding of property, both being in arrear at the date hereinafter mentioned, and then accruing due in respect of the current period, provided that such rent shall not be in respect of a period longer than one year.*

*Provided always, any agreement to the contrary notwithstanding, where under a condition for re-entry a landlord re-enters and determines a tenancy any rent payable in respect of the tenancy shall cease from the end of the current period.*

(2) *All rent other than the rent referred to in this section shall be a common debt, and a landlord shall be entitled in respect of non-payment thereof to the same remedies as a common creditor.*

(3) *The date in this section referred to is, as the case may be —*

- (a) *in the case of a landlord's arrest, the date of the order of arrest;*
- (b) *in the case of an enforcement of an execution by arrest and sale, the date of such enforcement;*
- (c) *in the case of proceedings under the Bankruptcy Code for the time being in force, the date of the receiving order, or the date of the registration of the deed of arrangement, or the date of the order of adjudication, whichever shall first happen;*
- (d) *in the case of a dissolution of a partnership, the date of the filing of the action, provided that it is followed by dissolution;*
- (e) *in the case of a liquidation of a company registered under the Companies Act for the time being in force, the date of the commencement of the liquidation;*
- (f) *in the case of an order made for the administration, winding up and distribution of the estates real and personal of a decedant, the date of the death of the decedant.*

(4) *In this section, the expression 'current period' means —*

- (i) *in the case of a tenancy for years, the current year, or the period until the end of the term, whichever is the shorter;*
- (ii) *in the case of an annual tenancy, the current year;*
- (iii) *in the case of a quarterly tenancy, the current quarter;*
- (iv) *in the case of a monthly tenancy, the current month;*
- (v) *in the case of a lunar monthly tenancy, the current four weeks;*
- (vi) *in the case of a weekly tenancy, the current week."*

3.6 Such provision may well affect the ability of the coroners to successfully enforce judgment executions.

3.7 Additionally, the option of an enhanced register with the intention of facilitating a more effective level of debt recovery and increased transparency may be compromised if, for example, other creditors are unaware of this overriding preference and the possible inability of coroners to recover judgments when considering how to proceed.

3.8 This historical preference may have been as a result of circumstances current at the time of enactment (1954) although it is difficult to assess specific policy intentions dating back over such a period of time. No such equivalent preference appears to exist in England and Wales or indeed other comparable jurisdictions.

3.9 Justification may remain to retain the current position. Indeed, internal discussions within Government have established a number of implications and potential consequences should any changes be implemented. Equally, given the added benefit of a more easily accessible, extended and more complete register of judgments, in many cases landlords may be able to better assess a prospective tenant's financial position before entering into any tenancy

agreement. This could partly or wholly negate the need to specifically prioritise the payment of rent ahead of other executable debts.

3.10 As part of this overall review process, the Treasury therefore believes that the current position should now be examined and all options considered.

3.11 The Treasury may also review the priority of other creditors within the PPA as part of further work in later phases. For example, some preferences need to be considered in the wider context of insolvency law. This initial consultation is therefore not seeking comment outside of the options outlined here in respect of landlord's preference and previously regarding Crown preference.

### **Summary**

- The Recovery of Rent Act 1954 provides that coroners must ensure any debtor being pursued for a judgment execution, is left contracted rental payments for up to 12 months before recovery of any debt is made.
- This position may be considered inequitable to all other creditors and therefore the Treasury believes it is prudent to reconsider this "preference" within the context of the overall review of existing debt recovery provisions and the other options outlined in this consultation.
- No specific details are suggested or endorsed, but options include:
  - Retaining current provisions.
  - Introducing limitations on preference, for example, only for business premises.
  - Amending the cap on the time and monthly amount which may be subject to the preference e.g. reducing to a maximum of 3/6 months or capping at £5000/£1000 etc.
  - Removing the preference entirely.
- It is not proposed that any existing priorities contained within the Preferential Payments Act 1908 (as amended), other than those to be considered under option 2 regarding Crown debt, would be affected by any changes outlined in this initial consultation.

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#### *Questions for Option 3 – Amendment to the Recovery of Rent Act 1954*

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**vii) Do you believe that the existing preferential creditor treatment for landlords regarding the recovery of rent should be amended? (Please provide details).**

**viii) If yes should:-**

- a. The preference be completely removed so that no priority is afforded to rent recovery?**

- b. The limits of preference be amended from the current 12 months of rent and if so to what period?**
- c. The amount subject to preferential treatment should be capped and if so to what amount?**
- d. The preference be applied only in certain circumstances i.e. business tenancies?**

**If you are proposing limiting preference please supply details outlining why these should be applied.**

- ix) What impact do you envisage should the landlord's preference be removed or amended?**

## **Consultation Process**

This consultation paper is issued by the Treasury for the purpose of obtaining views, and, where relevant, evidence to support those views, on the options set out above. There are a number of questions throughout this consultation paper on specific aspects of the options.

The Treasury would welcome your views on the options. The closing date for the receipt of comments is 5pm on Friday 29<sup>th</sup> December.

Responses must be in writing and made via the Isle of Man Consultation Hub or sent by e-mail to:

Policy and Legislation Team  
Financial Governance Division  
Treasury  
Government Office  
Bucks Road  
Douglas IM1 3PG  
E-mail: [treasuryconsultations@gov.im](mailto:treasuryconsultations@gov.im)

Electronic copies of this document are also available at: [Isle of Man Government - Government Consultations](#)

## **Publishing responses**

Unless specifically requested otherwise (see below), responses received may be published either in part or in their entirety, together with the name of the person or body submitting the response. If you are responding on behalf of a group it would be helpful to make your position clear. To ensure that the process is open and honest, responses can only be accepted if you provide your full name with your response.

The purpose of consultation is not to be a referendum. It is an information, views and evidence gathering exercise from which to take an informed decision on the content of proposed legislation or policy. As with any consultation exercise, the responses received do not guarantee changes will be made.

The Treasury will aim to publish a summary of the responses within 3 months of the closing date for this consultation.

## **Confidentiality**

In line with the Treasury's policy of openness, at the end of the consultation period copies of the responses we receive may be published in a summary of the responses to this consultation. If you do not consent to this, you must clearly request that your response be treated as confidential. Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such a request.

In respect of responses made via the Isle of Man Government's consultation hub at <https://consult.gov.im/>, you will be able to indicate your preference regarding the publication, or otherwise, of your response prior to commencing the consultation.

Respondents should also be aware that there may be circumstances in which the Treasury will be required to communicate information to third parties on request, in order to comply with any future obligations under the Freedom of Information Act 2015.

## Appendix 1 Glossary of terms used in this document

**Civil Debt** - A civil debt is primarily a sum owed in relation to the conclusion of a lawsuit between two individual parties. The debt will usually come about through a Judge ordering in favour of one of the parties (see judgment) and that one of the parties should pay the other a sum of money. The debt can also come about by a court order endorsing a settlement offer reached by the parties during litigation proceedings. For the purpose of this consultation the definition also applies to debts raised through "Treasury warrants", fines and tribunal awards.

**Coroners** - The Isle of Man is divided into six administrative districts, called sheadings. The six sheadings are Ayre, Glenfaba, Garff, Michael, Middle and Rushen. Each sheading has a coroner.

There are currently 4 coroners:-

- sheadings of Ayre & Garff – **Mr Gareth Leece**
- sheadings of Glenfaba & Michael – **Mr Gordon Leece**
- sheading of Middle – **Mrs Kelly Sloane**
- sheading of Rushen – **Mr Mark Wrigley**

Coroners are empowered to enforce executions handed to them by creditors where judgment has been awarded by the Courts. Coroners are assisted in their duties by Lockmen.

Coroners also have responsibility for Court duties such as summoning of jurors and the service of process and other documents.

**Crown Debt** - Generally, the tax dues payable to the Government i.e. excise duty, custom duty, income tax, VAT and other duties as prescribed are known as Crown's dues or debts. Crown debts are put, by various statutes, upon a different footing from those due to other parties.

**Execution** - A judgment creditor applies to the court for execution by either filing a written request or when judgment is determined at the trial/hearing. Provided no stay has been granted at the hearing the court can grant execution for the amount plus interest (if any) and costs.

The court order for judgment and execution is placed in the hands of the court enforcement officer for enforcement.

A judgment creditor can enforce a judgment or order for the payment of money by any of the following means:

- Execution.
- Appointment of a receiver.
- Arrestment order.
- Charging order.
- Attachment of earnings order.

Unless a statutory provision or rule provides otherwise, the judgment creditor can use any method of enforcement available and can use more than one method of enforcement, either at the same time or one after another.

**Fines** - Criminal financial penalties imposed in a court of Summary Jurisdiction or in the Court of General Gaol Delivery.

**General Data Protection Regulation (GDPR)** - New data protection law which will mirror EU and UK provisions and which is due to come into force on the Isle of Man May 2018. New standards will be introduced in areas such as data storage and retention.

**High Court** - See Isle of Man Courts of Justice - [www.courts.im/courtinformation/courtstructure/](http://www.courts.im/courtinformation/courtstructure/).

**Judgment** - A judgment handed down as a result of a court hearing whereby a claimant is awarded a sum of money against a named party. A judgment includes any order of the High Court for the payment of money and any process, but does not include a maintenance order, fine or judgment for a sum continuing until payment. The hearing will allow for both parties to present evidence. Getting a Judgment means that the creditor is now entitled to use various mechanisms to legally recover the money owed.

**Preferential / Non-preferential creditor** - A preferential or preferred creditor is a creditor receiving a preferential right to payment under applicable laws. Creditors can be given priority over ordinary or non-preferential creditors, either for the whole amount of their claims up to a certain value. The Preferential Payments Act 1908 (as amended) outlines preferred status for certain creditors. Other legislation, such as the Recovery of Rent Act 1954, can also set out a "preferred status" which must be applied to certain debts ahead of others.

**Register of Executions** - A register containing details of all default judgements, including those issued by the High Court, fines and Tribunal Awards. Additionally the register could include warrants issued by the Treasury.

**Registry Trust Ltd** - A UK not for profit organisation [Registry Trust Ltd](http://www.registrytrust.com) which, amongst its functions, operates a service called Trust Online which offers a fully searchable electronic register of judgments, Orders and fines in England and Wales (and other affiliated jurisdictions such as the IoM).

**Treasury warrant** - Warrants are issued by designated Treasury officers under the Value Added Tax Act 1996, the Income Tax Act 1970 and the Gambling Duty Act 2012. Warrants issued are enforceable by Coroners in the same manner as an execution of the High Court.

**Tribunal awards** - Awards made by tribunals e.g. employment tribunals.





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