

Bankruptcy (Amendment) Bill

Table of Contents

Bill No: 26/1999

Read the first time: 3rd August 1999

Long Title

Enacting Formula

1 Short title and commencement

2 Amendment of section 45

3 Amendment of section 46

4 Repeal and re-enactment of section 95 and new section 95A

5 Amendment of section 96

6 New section 123A

7 Amendment of section 125

8 Repeal and re-enactment of section 157

9 New section 165A

10 Amendment to Business Registration Act

11 Amendments to Companies Act

Explanatory Statement

Expenditure of Public Money

Bankruptcy (Amendment) Bill

Bill No. 26/1999

Read the first time on 3rd August 1999.

An Act to amend the Bankruptcy Act (Chapter 20 of the 1996 Revised Edition) and to make related amendments to the Business Registration Act (Chapter 32 of the 1985 Revised Edition) and the Companies Act (Chapter 50 of the 1994 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Bankruptcy (Amendment) Act 1999 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 45

2. Section 45(4) of the Bankruptcy Act is amended by deleting the words “28 days” and substituting the words “42 days”.

Amendment of section 46

3. Section 46 of the Bankruptcy Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) The Minister may make rules prescribing the scale of fees to be charged by nominees assisting debtors in respect of voluntary arrangements.”.

Repeal and re-enactment of section 95 and new section 95A

4. Section 95 of the Bankruptcy Act is repealed and the following sections substituted therefor:

“Creditors may accept composition or scheme by special resolution

95.—(1) Where a bankruptcy order has been made, the creditors who have proved their debts may, if they think fit —

- (a) at a general meeting of creditors; or
- (b) in writing,

by special resolution, resolve to accept a proposal for a composition in satisfaction

of the debts due to them under the bankruptcy, or for a scheme of arrangement of the bankrupt's affairs.

(2) A meeting under subsection (1)(a) shall be summoned by the Official Assignee by not less than 21 days' notice.

(3) A special resolution in writing under subsection (1)(b) shall be sought by a notice from the Official Assignee giving the creditors 21 days to reply.

(4) Any notice under this section shall state generally the terms of the proposal and shall be accompanied by a report of the Official Assignee thereon.

(5) Where a special resolution is sought at a general meeting of creditors under subsection (1)(a), any creditor who has proved his debt may assent to or dissent from the composition or scheme by a letter addressed to the Official Assignee in the prescribed form, and attested by a witness, and sent or posted so as to be received by the Official Assignee not later than 3 days preceding the meeting, and a creditor so assenting or dissenting shall be taken as having been present and voting at that meeting.

(6) Where a special resolution is sought in writing under subsection (1)(b), any creditor who has proved his debt shall assent to or dissent from the composition or scheme by a letter addressed to the Official Assignee, and sent or posted so as to be received by the Official Assignee not later than 21 days from the date of the Official Assignee's notice.

(7) The composition or scheme shall not be binding on the creditors unless the bankruptcy order to which it relates is annulled under section 95A.

(8) For the purposes of this section, "special resolution" means —

- (a) in relation to a special resolution sought under subsection (1)(a), a resolution passed at a general meeting of creditors by a majority in number and at least three-fourths in value of the creditors who have proved their debts, taking those creditors who do not attend personally or by proxy at the meeting as having voted in favour of the resolution; and
- (b) in relation to a special resolution sought under subsection (1)(b), a resolution approved in writing by a majority in number and at least three-fourths in value of the creditors who have proved their debts, taking those creditors who fail to assent to or dissent from the composition or scheme in writing as having assented to the resolution.

Annulment of bankruptcy order by certificate of Official Assignee where composition or scheme accepted by creditors

95A.—(1) Where a composition or scheme is accepted by the creditors by a special resolution under section 95, the Official Assignee may annul the bankruptcy order by issuing a certificate of annulment.

(2) Notice of every annulment under subsection (1) shall be given to the Registrar and be published in the *Gazette* and advertised in any local newspaper.

(3) The Official Assignee shall, upon the application of a bankrupt or his creditor or any other interested person, issue to the applicant a copy of the certificate of annulment upon the payment of the prescribed fee.

(4) A certificate of annulment issued under subsection (1) shall be binding on all the creditors so far as it relates to any debts due to them from the bankrupt and provable in bankruptcy.

(5) The provisions of a composition or scheme under this section may be enforced by the court on an application by any person interested, and any contravention of or failure to comply with an order of the court made on such an application shall be deemed to be a contempt of court.

(6) If default is made in payment of any instalment due under the composition or scheme, or if the court is satisfied that the composition or scheme cannot, in consequence of legal difficulties or for any sufficient cause, proceed without injustice or undue delay to the creditors or to the bankrupt, or that the acceptance of the proposal by the creditors was obtained by fraud, the court may, if it thinks fit, on an application by the Official Assignee or any creditor, annul the composition or scheme by revoking the certificate of annulment, but without prejudice to the validity of any sale, disposition or payment duly made or thing duly done under or in pursuance of the composition or scheme.

(7) Where the Official Assignee annuls a bankruptcy order under this section, any sale or other disposition of property, payment duly made or other things duly done by or under the authority of the Official Assignee or by the court shall be valid except that the property of the bankrupt shall revert to the bankrupt or, on an application by any person interested, vest in such person as the court may appoint and on such terms as the court may direct, and the court may include in its order such supplemental provisions as may be authorised by the rules.”.

Amendment of section 96

5. Section 96 of the Bankruptcy Act is amended by deleting the words