

Personal Insolvency

O'Hanlon Tax Limited, 6 City Gate, Lower Bridge Street, Dublin 8 Tel: 01 604 0280 Fax: 01 604 0281 Eml: info@ohanlontax.ie

The Personal Insolvency Act 2012 introduces new concepts to enable debtors who are in genuine financial difficulties to write off some debts and get their affairs in order. The three new mechanisms are as follows:

- **Debt Relief Notices ("DRN")**
Dealing with unsecured personal debt of €20,000 or less,
- **Debt Settlement Arrangement ("DSA")**
Higher levels of unsecured personal debt,
- **Personal Insolvency Arrangement ("PIA")**
Secured debt of up to €3m and unsecured debts of any level.

Generally, the new arrangements will need to be set up under the supervision of a new body, the Insolvency Service of Ireland (www.isi.gov.ie). The Act made provision for the ISI to draw up guidelines in regard to reasonable living expenses that would be allowed to a debtor entering into an arrangement.

Who Can Set up an Arrangement?

The new regime is aimed at "insolvent" persons. There is no reference to negative equity in the Act, which has a "cash-flow" insolvency test, i.e. a debtor must be unable to meet his bills as they fall due. There are safeguards against abuse to distinguish between "won't pay" debtors and "can't pay" debtors.

What Limits are Placed on Using Arrangements?

An individual cannot be involved in more than one of the new mechanisms (DRN, DSA or PIA) or in the bankruptcy process at the same time.

The Act provides that each of the new mechanisms can only be used once in a lifetime, but does not limit the number of times a person can go bankrupt.

The following debtors cannot propose a new arrangement under the Act:-

- an un-discharged bankrupt,

The Central Bank Report for end December 2012 indicates as follows:-

- There are 792,096 home loan mortgages in Ireland
- 11.9% per cent of all owner-occupied mortgages are more than 90 days in arrears
- 18.9% of buy-to-let mortgages are more than 90 days in arrears.
- A subset of circa 23,500 of these home loans are in arrears of more than 2 years.

- a person who has been discharged from bankruptcy in the last 5 years,
- a person who has been the subject of a protective certificate in the last 12 months (protective certificates are discussed below),
- a person who had a DRN in the last 3 years; or
- a person who had a PIA/DSA in the last 5 years.

Personal Insolvency Practitioners ("PIPs")

The Act makes provision for the regulation of "Personal Insolvency Practitioners" or "PIPs", who will have to be registered with the ISI.

The role of the PIP is to deal with individuals who want to set up a DSA or a PIA, and act as a liaison with the creditors and ISI. An individual wishing to set up an arrangement must approach a PIP and have his situation assessed. If he qualifies for the relevant arrangements (DSA or PIA) then the PIP will begin the process of applying for a protective certificate.

Debt Relief Notices are to be dealt with by authorised intermediaries such as the Money and Budgeting Services (MABS), rather than by PIPs.

What are the options for an insolvent individual?

A person in financial difficulties can approach MABS or a PIP to see if he is technically "insolvent".

The Act provides that the debtor has to co-operate, for at least 6 months, with any process approved or required by the Central Bank (such as the Mortgage Arrears Resolution Process) in relation to his principal private residence in order to qualify for any of the arrangements.

A declaration must be made that notwithstanding such co-operation the debtor has not been able to agree an alternative repayment arrangement, or the financial institution must confirm in writing that it is unwilling to enter into an alternative repayment arrangement.

A debtor will have to complete a Prescribed Financial Statement, giving a full and clear picture of his





financial circumstances. The debtor is required to act in good faith and must not deliberately stop paying (or underpay) creditors while the arrangement is in the pipeline.

The debtor needs to consent to the disclosure of personal information to and by the ISI and verification checks may be carried out.

If a DSA or PIA is arranged the debtor's name and details will be published on a Register that will be accessible to the public, and the ultimate success or failure of the process will also be recorded.

During the arrangement the debtor may not obtain credit resulting in an amount of obligations of more than €650 without informing the creditor(s) of the relevant arrangement.

Insolvency Service of Ireland

The ISI is the supervisory body for personal insolvency and the regulatory body for Personal Insolvency Practitioners (PIPs). It provides guidelines to the new arrangements and has an information line for the public. The guidelines deal with the question of what constitutes a reasonable standard of living, and reasonable living expenses for debtors, which will be central to drafting DSA or PIA agreements.

Debt Relief Notice ("DRN")

A DRN can only be set up using an approved intermediary and the ISI will select the approved intermediaries in due course. As outlined above, it has been indicated that the Money Advice and Budgeting Service (MABS - www.mabs.ie) will be a primary approved intermediary for DRNs.

Who can apply for a DRN and what are the criteria?

A DRN is aimed at unsecured debt, providing relief for people with qualifying debt of up to €20,000 and virtually no disposable income or assets. These people would have no realistic prospect of being able to pay off the debt in the following 3 years. To qualify an individual needs to have assets of €400 or less and net disposable income of €60 or less per month.

The DRN allows the debtor to write-off qualifying debts to a total of €20,000, pay half of the relevant debt or enter into an arrangement for phased payments over a three-year period. Creditors will not be able to pursue the debtor for payment during the 3

year period. If the debtor's circumstances improve during the 3 years, he must inform the authorised intermediary and the Insolvency Service of the material changes and he may have to pay part of the relevant debts as a result.

A person will not be eligible for a DRN where 25% or more of the qualifying debts were incurred in the last 6 months.

The Personal Insolvency Act provides significant exemptions in the Debt Relief Notice (giving more leeway than the UK equivalent provision). In addition to the €400 asset test provision for applicants the following are ignored:-

- up to €6,000 in value of household goods,
- any materials or equipment needed for educational purposes up to the end of second level education,
- one item of personal jewellery up to a value of €750 and
- a motor vehicle of up to a value of €2,000

The items listed above are only excluded if the asset is already paid for, as the DRN application itself cannot seek to settle the purchase cost of the item as a qualifying debt.

The debtor must notify MABS and the ISI of any material change in his financial circumstances during the three-year period. There is provision for the debtor to repay debts if his financial situation improves, i.e. if he gets a gift or windfall worth over €500 or his income increases by over €400 per month. The debtor should transfer the additional funds to the ISI to be paid on a *pari passu* basis to the relevant creditors.

What happens on completion of a DRN?

At the end of the 3 years, all of the debts covered by the DRN will be written off, even if the debtor has not managed to pay anything off them.

There is an incentive for the debtor to improve his financial position over the term of the DRN. If a debtor makes total repayments of 50% of the original debt he will be deemed to have satisfied the debts in full, the DRN will cease to have effect, the debtor will be removed from the Register and all of the debts will be discharged.

What does a DRN Cost?

Approved intermediaries such as MABS will not charge the debtor any fees for the services but the Insolvency Service may give the service provider a grant out of the fees that it collects for its services.

Debt Settlement Arrangement "DSA"

What is a DSA?

A Debt Settlement Arrangement (DSA) is an arrangement between a debtor with total unsecured debt in excess of €20,000 and one or more creditors to repay an amount of unsecured debt over a period of 5 years (with a possible extension to 6 years by agreement between the parties).

There is no cap on the value of the unsecured debt

that can form part of the Arrangement.

Who can apply for a DSA and what are the criteria?

The DSA is aimed at people who do not have an issue with secured debt; either because they only have unsecured debts, or because they are able to service their secured debts, but are running into difficulties with other debts.

A Personal Insolvency Practitioner (PIP) must be appointed by an individual who wants a DSA, to set up and manage the Arrangement. In general the debtor, the unsecured creditors, the court and the licensed insolvency practitioner (PIP) are all involved in seeking to agree a DSA.

Agreement with Creditors

The PIP will assess the individual and determine if he is a candidate for a DSA. If he is eligible the PIP will prepare a report and send this off to the ISI which will then make an application to the Court for a protective notice for a period of 70 days. During these 70 days the creditors of the individual will be precluded from taking any enforcement actions against the individual for the payment of debts

The following points should be noted:-

- Unlike bankruptcy a DSA will not be published in local newspapers, but will be entered in an Insolvency Register, which is open to the public.
- When a DSA is in effect, no unsecured creditor bound by it (including those who voted against it) may take action against the debtor.
- The terms of the DSA must be reviewed by the PIP at least once a year,
- The DSA may be varied if the debtor's circumstances change.

Voting on a DSA

The PIP will call a creditors' meeting and put forward a proposal to the unsecured creditors of the individual seeking the DSA. Not all the creditors need to agree on the proposal. The creditors will be invited to vote on the DSA proposal and it must be accepted by creditors who collectively own 65% of the loans (in value terms).

What happens on Completion of a DSA?

If the individual is at any stage in arrears of 6 months or more on the payments agreed under the DSA, the DSA for a period of six months the DSA will be terminated and the debtor becomes liable in full for all debts covered by the DSA. This include arrears, interest and charges that may otherwise have been forgone.

If the debtor complies with the arrangement for five years, the debts covered by the DSA will be discharged.

Personal Insolvency Arrangement - "PIA"

What is a PIA?

A Personal Insolvency Arrangement (PIA) is an arrangement between a debtor and one or more

creditors to repay an amount of both secured and unsecured debt over a period of 6 years (with the option of extending the period to 7 years).

Who can apply for a PIA and what are the criteria?

The PIA is aimed at individuals who have difficulty repaying both secured debt (e.g. mortgage arrears) and unsecured debt (e.g. a credit card). An individual can seek a PIA if he has secured debts of €3m or less, but this cap can be waived if all of the individual's secured creditors agree. There is no cap on the level of unsecured debts that can be dealt with in a PIA.

If there is a high level of secured debt and all the secured creditors do not agree to waive the €3m cap, then a PIA is not an option and bankruptcy should be considered.

A Personal Insolvency Practitioner (PIP) must be appointed to set up and administer the PIA.

The PIP will assess the individual and determine if he is a candidate for a PIA. If he is eligible the PIP will prepare a report for the ISI which will then make an application to the Court for a protective notice for a period of 70 days. During these 70 days the creditors of the individual will be precluded from taking any enforcement actions against the individual for the payment of debts.

The PIP will circulate information to the creditors and call a creditors' meeting. The PIP will prepare a PIA proposal to pay off a reasonable level of debt over the life of the PIA.

The following should be noted:-

- A PIA proposal must leave the debtor with sufficient income to maintain a reasonable standard of living.
- A debtor cannot be forced to sell his home as part of the arrangement but the home may form part of

ISI have given a guide to what would be reasonable expenditure per month for a single person as follows:-

- *Food - €247.04*

The expenditure on food is based on a balanced, nutritious diet. The consensual budget standards model is premised on a healthy lifestyle.

- *Transport - €136.29 for public transport costs or €240.13 if a car is necessary*

The cost of a car is allowed where public transport is inadequate to get to work, school and the local shop.

- *Social Inclusion and Participation - €125.97*

At €28.97 a week, the minimum considered necessary for participation and inclusion. It includes sports activities and social events such as visits to the cinema. The ISI model does not factor in the cost of a holiday.

the proposal (see below).

- A PIA can provide for repayment terms to be varied, or it can introduce interest only payments or a moratorium on payments.
- A PIA can extend the period of a loan or defer payments for a period of time, adjust an interest rate or provide for the surrender of other assets in a “debt for equity” swap.
- Distributions to creditors of the same class will be on a *pari passu* basis unless the PIA provides otherwise. As a judgment mortgagee could be put on the same footing as a secured lender, the order of priority may be a key issue for secured creditors.

Anti-abuse provisions have been included in the legislation. For example, it is a criminal offence for the debtor to provide any misleading information when the PIP prepares the financial statements. The ISI can carry out verification checks (with Revenue Commissioners, Social Welfare etc).

Voting on a PIA

If the debtor approves the proposed arrangement it will be sent on to the creditors. 65% of the creditors (in value terms) must vote in favour of the arrangement. In addition 50% (by value) of the secured creditors must vote in favour as well as 50% (by value) of the unsecured creditors.

If the proposal provides for all or part of that secured debt (the ‘Relevant Portion’) to be treated as an unsecured debt, then, for the purposes of voting at the creditors’ meeting, that Relevant Portion shall be treated as unsecured. The creditor can vote as an unsecured creditor, up to the value of the Relevant Portion.

Secured debt would be treated as unsecured debt where the value of the security held by the creditor is less than the value of the debt due.

Secured Creditors

If, as part of a proposal, a secured creditor opts to retain its security but accepts a write-down of the principal secured thereby, the reduced principal sum cannot be less than the value of the security.

The amount of the write-down must be treated as an unsecured debt and will be subject to the write-down on the unsecured debts.

If a sale of the property subsequently realises an amount less than value attributed to the security, the balance of the debt shall be treated as unsecured and subject to the write down for unsecured debt.

There are certain specific protections for secured creditors, including a “claw back” in the event of a subsequent sale of a mortgaged property where the mortgage has been written down.

If the property subsequently realises a value greater than the value attributed to the security, the secured creditor is entitled to be paid the lesser of (a) the difference between the sales proceeds and the value attributed to that property in the PIA or (b) the amount

Example re Creditor Votes

Paul has 5 creditors, both secured and unsecured, as follows:

Bank 1 (Secured Creditor) – Debt €250,000

Bank 2 (Secured Creditor) – Debt €150,000

Trade Creditor 1 (Unsecured) – Debt €50,000

Trade Creditor 2 (Unsecured) – Debt €25,000

Personal Loan (Unsecured) – Debt €12,000

Paul has secured debts of €400,000 and unsecured debts of €87,000 (total debt €487,000). In order for the PIA to be agreed by creditors at least €316,550 in value (65%) of the creditors must vote in favour. In addition €200,000 in value (50%) of the secured creditors must vote in favour as well as €43,500 (50%) of the unsecured creditors.

of the reduction of the loan principal amount as set out in the PIA.

Failure to agree a PIA

If a PIA is not agreed, the process terminates and the debtor will be open to bankruptcy and other enforcement proceedings. Under the new rules a creditor has an incentive to agree a PIA as following a petition for bankruptcy, the debtor may emerge after three years (subject to a further five-year claw-back period in certain circumstances), leaving any debts which were not paid as part of the bankruptcy process written off.

Implementing a PIA

Once a proposal is accepted the approved PIA is sent to the ISI which will notify the court. If no creditor objection is lodged within 14 days, or if an objection is lodged but not accepted by the court the PIA will be “court approved”, and the ISI will register it in the Register of Personal Insolvency Arrangements, and it will come into effect.

When a PIA becomes operative, it binds both the debtor and the creditors and is reviewed at least once annually. If there is a change in the debtor’s personal circumstances, payments to creditors can be increased and payments to creditors of the same class will be apportioned on a *pari passu* basis unless otherwise provided in the PIA.

What happens on completion of a PIA?

On successful completion of the PIA the debtor will be discharged from his unsecured debts but it should be noted that he will not be discharged from his secured debts unless such a discharge formed part of the terms of the PIA.

As outlined above, if the debtor fails to comply with his obligations under the PIA for a period of six months the PIA will terminate. Again, the next step is likely to be bankruptcy in such cases.

Family Home

Insolvency

If possible the PIP must suggest an arrangement

which does not involve the debtor being required to sell or vacate his principal private residence. Where a secured creditor has an interest in the debtor's family home, the debtor must have engaged with his secured creditor for at least 6 months, and have been unable to reach an agreement in relation to mortgage arrears.

A debtor cannot be forced to leave a principal private residence ("PPR") under a DSA or a PIA, so debtors will repay as much as they can for 6 years while they continue to reside in their family home.

An arrangement should not require the debtor to dispose of an interest in his family home or cease to occupy his family home (for example to rent the property), unless the debtor confirms in writing that he does not wish to remain in occupation. However, the personal insolvency practitioner must consider the following:-

- the costs to be incurred by the debtor remaining in occupation of his family home,
- the debtor's income and other financial circumstances,
- the ability of other persons residing in the family home to contribute to the costs of remaining in occupation, and
- the reasonable living accommodation needs of the debtor and his dependents and the costs of alternative accommodation.

Taking those matters into consideration, the Personal Insolvency Practitioner may come to the view that the costs of the debtor continuing to reside in the family home are "disproportionately large". Where the Personal Insolvency Arrangement is to provide for the disposal of the family home, the debtor must be advised by the Personal Insolvency Practitioner to obtain independent legal advice and the provisions of the Family Home Protection Act 1976 and Civil Partnership Act 2010 must be complied with.

Bankruptcy

If a debtors owns a family home, by himself or with another person, the Official Assignee may only sell it with the prior permission of the court. Where this permission is sought, the court will balance the interests of the creditors against the interests of the

family and may decide to postpone the sale of the home.

Acting for Estates

If a person who has insolvency issues but who has not taken any steps under the new Personal Insolvency legislation dies, the executor needs to establish if the estate is solvent. If so, the personal representative will proceed to distribute, insofar as possible, in line with the terms of the Will. If the estate is insolvent the order of distribution is determined by the Succession Act 1965 and estate is essentially treated as bankrupt.

The following should be noted:-

- Nominated accounts and joint property pass outside the estate so they do not pass to the estate creditors. The question of when and how property was put into joint names or nominated should be reviewed in each case.
- Dispositions within 2 years of bankruptcy (in this case within 2 years of the death) are void, and those within 5 years are voidable if it can be shown the deceased was insolvent at the date of transfer (i.e. unable to pay debts as they fell due).
- If a person who has entered into a DSA or PIA dies the impact of that death the will depend on the terms of the arrangement (as death of a debtor is one aspect to be covered in the agreement).

If a personal representative is notified that one of the estate debtors wants a DSA or PIA then he needs to weigh the interests of a speedy administration against the fiduciary duty to protect and gather the estate assets.

In essence the personal representative is being asked to compromise a debt owed to the estate by giving consent to the Arrangement.

There is no specific provision to protect personal representatives in the legislation so S. 60(8) Succession Act 1965 applies. It provides that a personal representative may compromise a debt and enter into arrangements.

The legislation appears to envisage activity on the part of the personal representative, so if he seeks to rely on the section a personal representative should consider taking an active part in the process. He may also wish to get some form of clearance or indemnity from the beneficiaries (or at least the residuary beneficiaries) if the proposed compromise involves waiving a substantial part of the debt.

Revenue Debts - Excludable

Revenue debts cannot be included in a personal insolvency arrangement unless the Revenue Commissioners specifically agree to the inclusion of these debts. The extent to which the Revenue Commissioners will engage with the new personal insolvency measures is unclear.

Excluded Debt

The legislation provides for debts which will not form part of a DSA or a PIA. Such debts are known as excluded debts. These debts include maintenance payments, payments re personal injury claims, loans



obtained through fraud, debts arising from the Proceeds of Crime Act 1996 or a fine ordered to be paid by a Court in relation to a crime.

Example of Excludable and Excluded Debts:

Michael has the following debts:

Mortgage of €300,000

Personal Loan of €25,000

Tax Liabilities of €35,000

Court Ordered Maintenance Payment

Arrears of €40,000

Michael's mortgage and personal loan can be included as part of a PIA arrangement if the creditors vote in favour of the arrangement. The tax liabilities of €35,000 may be included if Revenue agree to such inclusion. Until Revenue agree to this inclusion the tax liabilities are excluded from any personal insolvency arrangement.

The arrears of court ordered maintenance payments cannot be included as part of any personal insolvency arrangement.

Effect on Pensions?

Many individuals with cashflow problems may have substantial assets locked into pension funds with no way to access any of the funds, if they have not reached the relevant age to draw down the fund. The Act now provides that if an individual can access a pension fund but chooses not to, the available pension benefits will be considered "disposable income" and will be available to creditors, so the debtor cannot protect his pension fund by failing to exercise any options to draw down benefits.

If a bankrupt individual will become entitled to a benefit (such as a pension lump sum entitlement) within five years from the date of the order of bankruptcy then the benefit will vest in the Official Assignee in Bankruptcy.

Example:

Sam is aged 56 years of age. On his 60th birthday he will be entitled to claim a pension lump sum payment of €150,000 from his pension fund. Sam is declared bankrupt. As his pension lump sum entitlement will arise within 5 years of the order of bankruptcy the benefit will vest in the Official Assignee.

Bankruptcy

Bankruptcy will continue to apply to unsecured debts and secured debts, of any amount over €20,000, and will be the only process available for a secured debt greater than €3 million (unless every secured creditor agrees to using a personal insolvency arrangement) and certain other debts that are excluded from the new procedures.

How does Bankruptcy Traditionally Work?

A court passes all of the assets of a bankrupt to a trustee known as an Official Assignee, who pays as much of the debt as possible. In some cases the



bankrupt will have to enter an 'income payment agreement' to make payments from income towards the debts for up to three years.

The court can use a bankrupt's salary and/or pension for the benefit of creditors, subject to arrangements that may be made to provide for the bankrupt and his dependants. No deductions will be made from social welfare payments.

The following items can be retained as 'excluded items' to a value of €3,100 (and a court can order a higher level of excluded assets):

- Clothes
- Furniture and tools or equipment relating to trade
- Necessities for family, and dependent relatives in the household

If a person holds property jointly (for example, with a spouse) then bankruptcy will cause the joint ownership to be split between the Official Assignee and the non-bankrupt co-owner.

The main changes which the Personal Insolvency Act will make to the bankruptcy legislation are as follows:

- for a creditor to petition, the minimum amount owed must be €20,000 (increased from the current provision of €1,900)
- where the petition is presented by a debtor, the debtor must provide an affidavit that he has made reasonable efforts to reach an arrangement with his creditors by proposing a DSA or a PIA and show that his debts exceed his assets by at least €20,000 and the court must be satisfied that he is unable to meet his engagements with creditors for him to be declared bankrupt
- where the petition is presented by a creditor, the court shall consider whether a DSA or a PIA would be a more appropriate solution
- certain provisions regarding fraudulent preference and avoidance of certain transactions have been extended to 3 years
- the automatic discharge period has been reduced from 12 years to 3 years
- where the bankrupt has been non co-operative, or has hidden income or assets, the bankruptcy

	Level / Type of Debt	Income	Assets	Required Intermediary
DRN	Under €20,000	Under €60 per month	Max. €400	Approved Intermediary
DSA	Unsecured only	No Max	No Max	Personal insolvency Practitioner
PIA	Secured and Unsecured	No Max	No Max	Personal Insolvency Practitioner

period may be extended to a maximum period of eight years

- where a debtor has been adjudicated bankrupt more than 3 years before the new Act came into force, he shall be discharged 6 months later (subject to the rights of creditors to raise objections)
- once a debtor is discharged from bankruptcy, he will remain under a duty to cooperate with the Official Assignee in the realisation and distribution of such property as is vested in the Official Assignee
- certain pension assets will be carved-out of the bankruptcy estate and will be unavailable to creditors although the court will be empowered to order recovery of excessive pension contributions made by a bankrupt within the three years prior to adjudication.

The position in the UK currently is that a bankrupt can get automatic discharge from bankruptcy after one year.

Although the gap between Ireland and the UK has closed significantly in terms of bankruptcy discharge periods it may still be attractive for potential bankrupts to try and establish a centre of main interests in the UK to avail of the more favourable UK bankruptcy regime.

Insolvency Service of Ireland—Bankruptcy FAQs

What happens to my property when I am made bankrupt?

All property held by you when you are made bankrupt vests in the Official Assignee for the benefit of your creditors. The role of the Official Assignee is to sell or otherwise dispose of this property (called realisation) and distribute the proceeds to your creditors. A vesting certificate is lodged in the Office of the Examiner of the High Court and with the Property Registration Authority. This document records the interest of the Official Assignee in any property held by you at the date of adjudication. It means that you cannot sell or use this interest in the property as security to take out a loan. The only property that does not vest in the Official Assignee is essentials up to a value of €3,100.00, or more if the High Court allows. Any property you acquire after you are made bankrupt, transfers to the Official Assignee, if and when the Official Assignee claims it.

What about property I own abroad?

Under EU legislation, (EU Insolvency Regulations 2002) bankruptcy proceedings in Ireland may be

recognised as proceedings in most other EU member states.

In most cases, this should allow the Official Assignee to realise such property for the benefit of your creditors.

Does it have implications for my salary and pension?

Yes, the High Court may appropriate your salary or pension for the benefit of your creditors, However, this is subject to any provision the High Court may make to meet your family responsibilities and your personal situation.

Can I still trade while I am bankrupt?

Yes, as long as you trade in your own name. If you trade in a name other than that in which you were made bankrupt without disclosing this name, you are guilty of an offence. You must notify the Official Assignee of any business or trade in which you engage.

Can I manage a company or become a director of a company?

No, under the Companies Act it is an offence for a bankrupt to act in various capacities in relation to a company. These include director, auditor, manager, liquidator or receiver of a company.

As a bankrupt can I still earn a living / what about my income?

The Official Assignee may apply to court for the appropriation of part of the bankrupt's salary, income or pension. If the High Court directs any deduction to be made, it may have regard to the bankrupt's family responsibilities and person situation.

Property owned jointly with a bankrupt

Where a person owns property jointly with a bankrupt, the bankruptcy splits the joint ownership. The non-bankrupt co-owner and the Official Assignee then hold separate interests in the property.

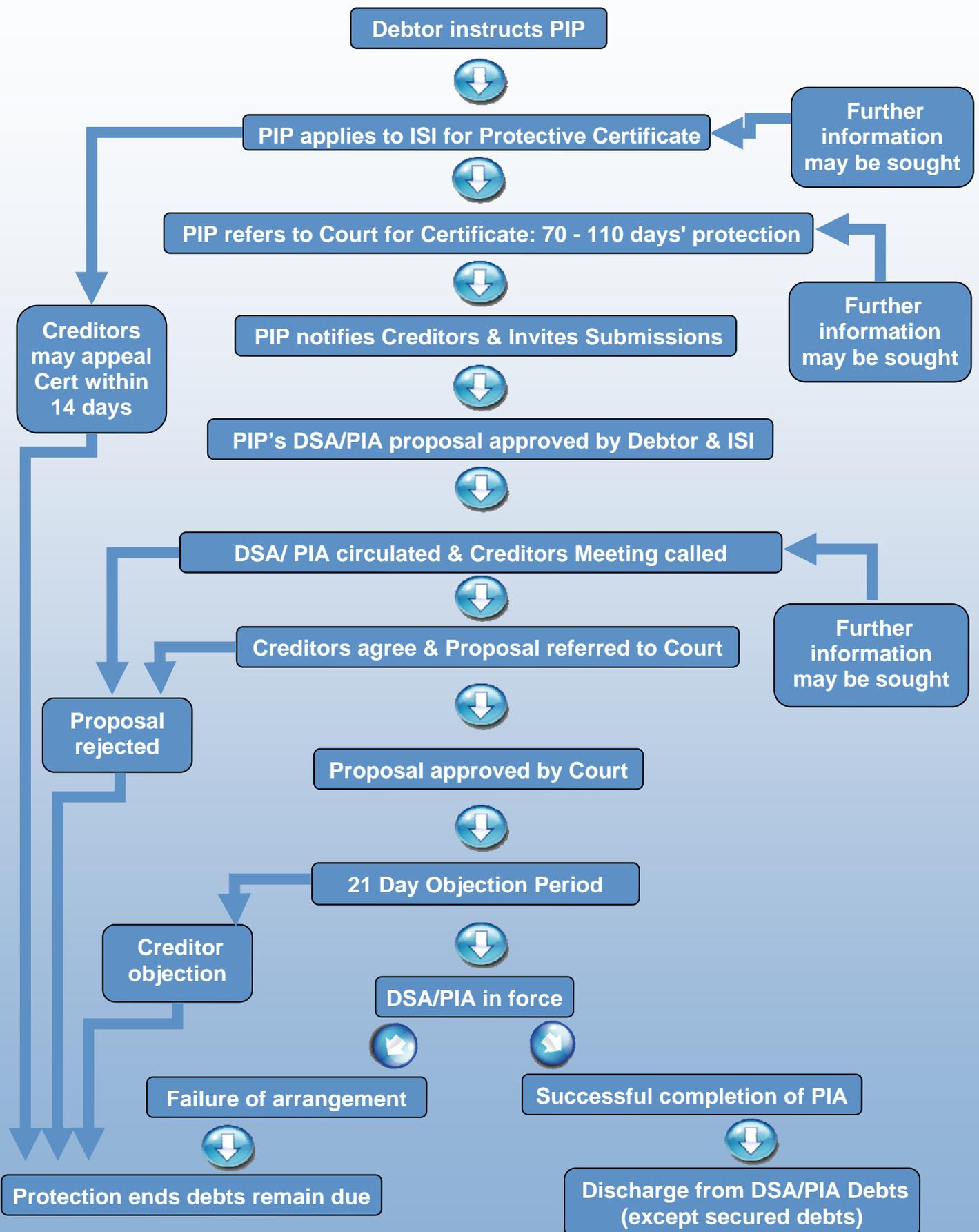
Partnerships

A partnership where the bankrupt is a partner is dissolved by the bankruptcy. This is unless the terms of the partnership provide for it to continue.

ISI Mission Statement

“The final stage will happen after all the foregoing steps have been successfully implemented and ISI will then be in a position to begin accepting applications. It is anticipated that this will be complete by the end of the June.”

Guide to DSA & PIA Procedures



Caveat: These notes are intended as a preliminary guide to some provisions of the Personal Insolvency Act 2012. Formal advice should be obtained before any steps are taken to effect a personal insolvency arrangement.