

Companies (Amendment) Bill 2017

Bill No. /2017.

Read the first time on .

A BILL

i n t i t u l e d

An Act to amend the Companies Act (Chapter 50 of the 2006 Revised Edition) and to make

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 is the Companies (Amendment) Act 2017 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

5 **New sections 211A to 211I**

2. The Companies Act is amended by inserting, immediately after section 211, the following sections:

“Application of sections 211B to 211J

10 **211A.**—(1) Sections 211B to 211J apply where the compromise or arrangement that is, or is intended to be, proposed by a company to its creditors or any class of them will, if it takes effect, compromise the rights of the creditors or class of creditors, as the case may be.

15 (2) Unless otherwise provided, the provisions of sections 211B to 211J are in addition to, and do not derogate from, sections 210 and 211.

Power of Court to restrain proceedings, etc. against company

211B.—(1) Where a company —

20 (a) makes an application under section 210(1)(a) for a meeting between the company and its creditors or any class of them in relation to a compromise or arrangement mentioned in section 211A(1), or an application under section 211I for the approval of a compromise or arrangement mentioned in section 211A(1) between the company and its creditors or any class of them; or

25 (b) intends to make an application mentioned in paragraph (a) as soon as practicable,

30 and no order has been made or resolution passed for the winding up of the company, the company or any creditor of the company

may, instead of making an application to the Court under section 210(10), make an application to the Court for one or more of the orders mentioned in subsection (4).

5 (2) When an application is made to the Court under subsection (1), notice of the application —

(a) must be published in the Gazette and in an English and Chinese local daily newspaper and a copy thereof sent to the Registrar; and

(b) must be given —

10 (i) to the company, in a case where a creditor is the applicant;

(ii) to every creditor sought to be bound by the proposed compromise or arrangement and who is known to the company; and

15 (iii) to any person who has appointed or is or may be entitled to appoint a receiver and manager of the whole (or substantially the whole) of a company's property under the terms of any debentures of a company secured by a floating charge or by a floating charge and one or more fixed charges.

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(3) The following must be filed to the Court together with the application under subsection (1):

25 (a) evidence of support for the proposed compromise or arrangement from creditors [representing not less than one-third in value of the creditors sought to be bound by the proposed compromise or arrangement] [or] [whose support for the proposed compromise or arrangement would be important for the success of the proposed compromise or arrangement] ¹;

30 (b) in a case where subsection (1)(b) applies, a brief description of the compromise or arrangement to be

¹ MinLaw seeks input on whether the two requirements set out in square brackets are feasible. If both requirements are feasible, MinLaw would also seek views on whether an applicant should comply with both or only one of the requirements.

- 5 proposed, containing sufficient particulars to enable the Court to assess that the proposed compromise or arrangement is feasible and merits due consideration by the creditors when it is eventually placed before the creditors in detailed form in a statement mentioned in section 211(1)(a) or section 211(2)(a);
- (c) a list of the 20 unsecured creditors who are not related to the company and who have the largest claims against the company.
- 10 (4) The Court may, on an application made under subsection (1), make any one or more of the following orders in respect of such period as the Court thinks fit:
- (a) that no order may be made or resolution passed for the winding up of the company;
- 15 (b) that no receiver or manager be appointed over any property or undertaking of the company;
- (c) that no proceedings, other than proceedings under section 210, 211B, 211C, 211D, 211G, 211H or 212, may be commenced or continued against the company except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
- 20 (d) that no execution, distress or other legal process may be commenced, continued or levied against any property of the company, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
- 25 (e) that no step may be taken to enforce any security over any property of the company or to repossess any goods under any chattels leasing agreement, hire-purchase agreement, or retention of title agreement, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
- 30 (f) that no right of re-entry or forfeiture under any lease in respect of any premises occupied by the company may
- 35

be enforced, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes.

(5) An order of the Court under subsection (4) —

- 5 (a) may be made either absolutely or subject to such terms as the Court imposes; and
- (b) may be expressed to apply to any act committed by any person in Singapore or within the jurisdiction of the Court, whether the act takes place in Singapore or
- 10 elsewhere.

(6) When making an order under subsection (4), the Court must order the company to submit to the Court, within such time as the Court may order, information relating to the company's financial affairs as may be adequate to enable the creditors to

15 assess the feasibility of the proposed compromise or arrangement, including the following:

- (a) reports on the valuation of the company's significant assets;
- (b) if the company acquires or disposes of any property or
- 20 grants security over any property, information relating to such acquisition, disposal or grant of security to be submitted not later than 14 days after the date of such acquisition, disposal or grant of security;
- (c) periodic financial reports of the company and the
- 25 company's subsidiaries;
- (d) forecasts of the profitability, and the cashflow from the operations, of the company and the company's subsidiaries.

(7) The Court may extend the period during which an order

30 under subsection (4) is to be applicable, upon an application by the company or the creditor (as the case may be) for the extension of the period, made before the expiry of that period.

(8) During the period beginning with the making of an application to the Court under subsection (1) and ending 30 days after the making of the application —

- 5
- (a) no order may be made or resolution passed for the winding up of the company;
 - (b) no receiver or manager may be appointed over any property or undertaking of the company;
 - 10 (c) no proceedings, other than proceedings under section 210, 211B, 211C, 211D, 211G, 211H or 212, may be commenced or continued against the company except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
 - 15 (d) no execution, distress or other legal process may be commenced, continued or levied against any property of the company, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
 - 20 (e) no step may be taken to enforce any security over any property of the company or to repossess any goods under any chattels leasing agreement, hire-purchase agreement, or retention of title agreement, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes; and
 - 25 (f) no right of re-entry or forfeiture under any lease in respect of any premises occupied by the company may be enforced, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes.

30 (9) Any creditor may apply to the Court for —

- (a) the discharge of any order made under subsection (4);
or
- (b) an order that subsection (8) or any paragraph of subsection (8) is not to apply from the date of the order.

(10) The Court must grant the application under subsection (9) if the applicant for the application under subsection (1) fails to comply with subsection (3).

5 (11) In this section, “chattels leasing agreement”, “hire-purchase agreement” and “retention of title agreement” have the same meanings as in section 227H(9).

Power of Court to restrain proceedings, etc. against subsidiary of company

10 **211C.**—(1) Where the conditions in subsection (2) are satisfied, the Court may on the application of a subsidiary (called in this section the applicant) of a company in respect of which an order under section 211B(4) has been made, make any one or more of the orders mentioned in subsection (3) in respect of such period as the Court thinks fit.

15 (2) The conditions mentioned in subsection (1) are:

- (a) an order under section 211B(4) has been made in respect of the holding company of the applicant;
- (b) the applicant plays a necessary and integral role in the compromise or arrangement, proposed by the holding company of the applicant, in relation to which the order under section 211B(4) was made;
- 20 (c) the compromise or arrangement proposed by the holding company of the applicant, in relation to which the order under section 211B(4) was made, will be frustrated if one or more of the actions which may be restrained by an order under subsection (3) is taken against the applicant;
- 25 (d) the Court is satisfied that the creditors of the applicant will not be unfairly prejudiced by the making of an order under subsection (3);
- 30 (e) no order has been made or resolution passed for the winding up of the applicant.

(3) The orders that the Court may order under subsection (1) are the following orders:

- (a) that no order may be made or resolution passed for the winding up of the applicant;
- 5 (b) that no receiver or manager be appointed over any property or undertaking of the applicant;
- (c) that no proceedings, other than proceedings under section 210, 211B, 211C, 211D, 211G, 211H or 212, may be commenced or continued against the applicant except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
- 10 (d) that no execution, distress or other legal process may be commenced, continued or levied against any property of the applicant, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
- 15 (e) that no step may be taken to enforce any security over any property of the applicant or to repossess any goods under any chattels leasing agreement, hire-purchase agreement, or retention of title agreement, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes;
- 20 (f) that no right of re-entry or forfeiture under any lease in respect of any premises occupied by the applicant may be enforced, except with the leave of the Court and (where the Court grants leave) subject to such terms as the Court imposes.
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(4) When an application is made to the Court under subsection (1), notice of the application —

- (a) must be published in the Gazette and in an English and Chinese local daily newspaper and a copy thereof sent to the Registrar; and
- (b) must be given —

(i) to every creditor of the applicant sought to be subject of an order mentioned in subsection (3) and who is known to the applicant; and

5 (ii) to any person who has appointed or is or may be entitled to appoint a receiver and manager of the whole (or substantially the whole) of the applicant's property under the terms of any debentures of the applicant secured by a floating charge or by a floating charge and one or more
10 fixed charges.

(5) An order of the Court under subsection (1) —

(a) may be made either absolutely or subject to such terms as the Court imposes; and

15 (b) may be expressed to apply to any act committed by any person in Singapore or within the jurisdiction of the Court, whether the act takes place in Singapore or elsewhere.

(6) The Court may extend the period which is the subject of an order under subsection (1) upon an application by the applicant
20 for the extension of the period, made before the expiry of that period.

(7) Any creditor of the applicant may apply to the Court for the discharge of any order made under subsection (1).

25 (8) In this section, “chattels leasing agreement”, “hire-purchase agreement” and “retention of title agreement” have the same meanings as in section 227H(9).

Avoidance of disposition of property, etc.

30 **211D.**—(1) At any time after the making of an order under section 211B but before the making of an order under section 210(4) or 211I(1), the Court may, on an application of any creditor of the company, make an order that any of the following acts of the company during the moratorium period or any part of the moratorium period, be restrained:

- (a) any disposition of property of the company that is not carried out in good faith and in the ordinary course of the business of the company;
- 5 (b) any act or exercise of power of the company, carried out in the ordinary course of the business of the company, that materially prejudices the creditors of the company or significantly diminishes the property of the company;
- 10 (c) any transfer of any share or any alteration in the status of the members of the company.

(2) In this section, “moratorium period” means the period during which an order of the Court under section 211B(4) is in force, and any extension of the period under section 211B(7).

Super-priority for rescue financing

15 **211E.**—(1) At any time after an application is made under section 210(1) or 211B(1) in relation to a compromise or arrangement mentioned in section 211A(1), the Court may, on an application by the company under this section, order that —

- 20 (a) in the event of the winding up of the company, any debt arising from any credit obtained or to be obtained by the company for the purpose of enabling the business of the company to continue as a going concern is to be treated as if it were a cost or an expense of the winding up mentioned in section 328(1)(a);
- 25 (b) in the event of the winding up of the company, any debt arising from any credit obtained or to be obtained by the company is to have priority over all the preferential debts specified in section 328(1) and all other unsecured debts if —
 - 30 (i) the credit is [necessary to enable][for the purpose of enabling]² the business of the company to continue as a going concern; and

² MinLaw seeks views on which of the two formulations would be preferable for this subsection and for subsections 211E(c)(i), 211E(d)(i), and 227HA(2).

- (ii) the company is unable to obtain the credit from any person unless the debt is to have priority over all the preferential debts specified in section 328(1) in the event of a winding up of the company;
- 5 (c) any debt arising from any credit to be obtained by the company is to be secured by a security interest on property of the company that is not otherwise subject to any security interest, or by a subordinate security interest on property of the company that is subject to a security interest, if —
- 10 (i) the credit is [necessary to enable][for the purpose of enabling] the business of the company to continue as a going concern; and
- (ii) the company is unable to obtain the credit from any person unless the debt is to be secured in the manner mentioned in this paragraph; or
- 15 *[Adapted from section 364(c)(2) & (3) US Bankruptcy Code]*
- (d) any debt arising from any credit to be obtained by the company is to be secured by a security interest, on property of the company that is subject to an existing security interest, that is to have equal or higher priority over the existing security interest in the property, if —
- 20 (i) the credit is [necessary to enable][for the purpose of enabling] the business of the company to continue as a going concern;
- 25 (ii) the company is unable to obtain the credit from any person unless the debt is to be secured in the manner mentioned in this paragraph; and
- (iii) there is adequate protection of the interest of the holder of the existing security interest in the property on which the security interest of an equal or higher priority is proposed to be granted.
- 30 *[Adapted from section 364(d)(1) US Bankruptcy Code]*

(2) Where more than one debt incurred by the company is the subject of an order of the Court under subsection (1)(b) (each

debt called in this section a super priority debt), then in the event of a winding up of the company, the super priority debts are to

—
 (a) rank equally amongst themselves; and

5 (b) be paid in full, unless the property of the company is insufficient to meet them, in which case they are to abate in equal proportions between themselves.

(3) In the event that the company is wound up, the super-priority debts constitute one class, and despite section 328

10 —
 (a) the super-priority debts are to be paid in priority to all the preferential debts specified in section 328(1) and all other unsecured debts; and

15 (b) so far as the assets of the company available for payment of creditors of super-priority debts are insufficient to meet those debts, those debts have priority over the claims of the holders of debentures under any floating charge created by the company (which charge, as created, was a floating charge), and
 20 are to be paid accordingly out of any property comprised in or subject to that charge.

(4) The reversal or modification on appeal of an order made under subsection (1)(c) or (d) does not affect the validity of any debt so incurred, or any priority or security interest so granted,
 25 to a person who extended the credit in good faith, whether or not such person knew of the appeal, unless the order and the incurring of such debt, or the granting of such priority or security interest, were stayed pending appeal.

[Adapted from section 364(e) US Bankruptcy Code.]

30 (5) Where adequate protection is required in subsection (1)(d)(iii), the adequate protection may be provided —

(a) by requiring the company to make a cash payment or periodic cash payments to the holder of the existing security interest in the property of the company, to the

extent that the grant of the security interest of an equal or higher priority under subsection (1)(d) results in a decrease in the value of the holder's existing security interest in the property;

- 5 (b) by providing to the holder of the existing security interest in the property of the company an additional or replacement security to the extent that the grant of the security interest of an equal or higher priority under subsection (1)(d) results in a decrease in the value of
10 the holder's existing security interest in the property; or
- (c) by granting such other relief, other than entitling the holder of the existing security interest in the property of the company to compensation, that will result in the realisation by the holder of the indubitable equivalent
15 of the holder's existing security interest in the property.

[Adapted from section 361 US Bankruptcy Code]

(6) In this section, "security interest" means mortgage, charge, pledge, lien or other type of security interest recognised by law.

Filing, inspection and adjudication of proofs of debt

20 **211F.**—(1) When a meeting is summoned under section 210 in relation to an arrangement or compromise mentioned in section 211A(1), the company must state in the notice mentioned in section 211(1) (called in this section the notice summoning the meeting) the manner in which a creditor is to file a proof of debt with the company and time period within which the proof is to
25 be filed.

(2) Subject to subsection (3), if a creditor does not file the creditor's proof of debt in the manner or within the time period stated in the notice summoning the meeting, the creditor is not allowed to vote (either in person or by proxy) in the meeting.

30 (3) The Court may, on an application made by the company or a creditor, extend the time period for the filing of proofs of debt stated in the notice summoning the meeting.

(4) Upon the making of an order under subsection (3), the company must forthwith send a notice of the order to each creditor sought to be bound by the compromise or arrangement.

5 (5) Every proof of debt filed under this section is to be adjudicated by the person who is nominated by the company to be appointed as the chairman of the meeting summoned under section 210 (called in this section the adjudicator).

10 (6) A creditor who has filed a proof of debt under this section is entitled to inspect a proof of debt (or any part of the proof) filed by another creditor, unless the proof of debt or that part of the proof requested to be inspected is protected under any rule of law relating to confidentiality.

(7) A creditor who has filed a proof of debt may —

- 15 (a) object to the rejection of the creditor's proof of debt (or any part of the proof);
- (b) object to the admission of a proof of debt (or any part of the proof) filed by another creditor; or
- (c) object to a request by another creditor to inspect the proof of debt.

20 (8) Any dispute between the adjudicator and the company, between the adjudicator and a creditor, or between two or more creditors, in relation to the inspection, admission or rejection of a proof of debt, may be adjudicated by an independent assessor.

25 (9) When a dispute mentioned in subsection (8) arises, an independent assessor may be appointed either by agreement of all parties to the dispute or, failing such agreement, by the Court upon the application of the company or any party to the dispute.

(10) Where —

- 30 (a) a creditor or the company disagrees with any decision of the adjudicator or the independent assessor; or
- (b) the adjudicator disagrees with any decision of the independent assessor,

in relation to the inspection, admission or rejection of a proof of debt, the creditor, the company or the adjudicator (as the case may be) may file a notice of disagreement regarding that decision for consideration by the Court when the Court hears an application for the approval under section 210(4) of the compromise or arrangement in question.

(11) When exercising its discretion under section 210(4), the Court must take into account any notice of disagreement filed under subsection (10).

(12) The Minister may make regulations in relation to the inspection and adjudication of proofs of debt filed by creditors under this section.

(13) Without restricting the generality of subsection (12), the regulations may provide for —

- (a) the procedure relating to the making of a request by a creditor who has filed a proof of debt to inspect a proof of debt filed by another creditor, and the procedure for the objection by that other creditor to the request;
- (b) the information that the company or the adjudicator must provide to every creditor who has filed a proof of debt, and the information that every such creditor is entitled to obtain from the company or the adjudicator;
- (c) the time period within which information mentioned in paragraph (b) must be provided by the company or the adjudicator;
- (d) the procedure relating to the resolution of any dispute mentioned in subsection (8);
- (e) the duties of an independent assessor appointed under subsection (8); and
- (f) the time period within which all proofs of debt are to be adjudicated by the adjudicator.

Power of Court to order re-vote

211G.—(1) In any hearing of an application for the approval under section 210(4) of a compromise or arrangement mentioned in section 211A(1), the Court may, instead of approving the
 5 compromise or arrangement, order that the compromise or arrangement be put to a re-vote at another meeting (called in this section the further meeting) for such a purpose.

(2) When making an order under subsection (1), the Court may

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- 10 (a) make the order subject to such terms as the Court thinks fit;
- (b) direct that the further meeting be summoned or held in such manner as the Court thinks fit;
- 15 (c) make such orders or directions as the Court thinks appropriate in respect of one or more of the following:
- (i) the classification of any creditor for the purposes of voting at the further meeting;
- (ii) the quantum of any creditor's debt that is to be admitted for the purposes of voting at the further
 20 meeting;
- (iii) the weight to be attached to the vote of any creditor at the further meeting.

Power of Court to cram down

211H.—(1) This section applies where —

- 25 (a) a compromise or arrangement mentioned in section 211A(1) has been voted on at a relevant meeting;
- (b) the creditors sought to be bound by the compromise or arrangement are placed in more than one class of
 30 creditors for the purposes of voting on the compromise or arrangement at the relevant meeting;

(c) the requirements in section 210(3AB)(a) and (b) are met at the relevant meeting in respect of at least one class of creditors; and

[Adapted from US Bankruptcy Code s1129(a)(10)]

5 (d) the requirements in section 210(3AB)(a) and (b) are not met at the relevant meeting in respect of one or more class of creditors (called in this section a dissenting class).

10 (2) Despite the conditions mentioned in section 210(3AB) not being satisfied, the Court may subject to this section, on the application of the company, or a creditor of the company who has obtained the leave of the Court to make an application under this subsection, order that the compromise or arrangement be binding on the company and all classes of creditors sought to be bound by the compromise or arrangement.

15 (3) The Court may not make an order under subsection (2) unless —

20 (a) a majority in number of the creditors sought to be bound by the compromise or arrangement who were present and voting either in person or by proxy at the relevant meeting have agreed to the compromise or arrangement;

25 (b) the majority in number of creditors mentioned in paragraph (a) represents three-fourths in value of the creditors sought to be bound by the compromise or arrangement present and voting either in person or by proxy at the relevant meeting; and

30 (c) the Court is satisfied that the compromise or arrangement does not discriminate unfairly between two or more classes of creditors, and is fair and equitable in respect of each dissenting class.

[Adapted from US Bankruptcy Code s1129(b)(1)]

(4) For the purposes of subsection (3)(c), a compromise or arrangement is fair and equitable in respect of a dissenting class only if —

- (a) no creditor in the dissenting class receives under the terms of the compromise or arrangement an amount that is lower than what the creditor is estimated to receive in the event that the company is wound up; and
- 5 (b) the requirement in either sub-paragraph (i) or (ii) (whichever is applicable) is met:
- (i) where the creditors in the dissenting class are secured creditors, the terms of the compromise or arrangement must provide —
- 10 (A) for each creditor in that class to receive deferred cash payments totalling the amount of the creditor's claim that is secured by the security held by the creditor, and preserve the security and extent of the claim (whether
- 15 or not the property subject to such security is to be retained by the company or transferred to another entity under the terms of the compromise or arrangement);
[Adapted from US Bankruptcy Code s1129(b)(2)(A)(i)(II) and (I)]
- 20 (B) that where the security held by any creditor in that class is to be realised by the company free of encumbrances, the creditor has a charge over the proceeds of the realisation to satisfy the creditor's claim that is secured by the security; or
[Adapted from US Bankruptcy Code s1129(b)(2)(A)(ii)]
- 25 (C) that each creditor in that class is entitled to realise the indubitable equivalent of the security held by the creditor in order to satisfy the creditor's claim that is secured by the security;
[Adapted from US Bankruptcy Code s1129(b)(2)(A)(iii)]
- 30 (ii) where the creditors in the dissenting class are unsecured creditors —

(A) the terms of the compromise or arrangement must provide for each creditor in that class to receive property of a value equal to the amount of the creditor's claim; or

[Adapted from US Bankruptcy Code s1129(b)(2)(B)(i)]

5 (B) no creditor with a claim that is subordinate to the claim of a creditor in the dissenting class, and no member, is to receive or retain under the terms of the compromise or arrangement any property on account of the
10 subordinate claim or the member's interest.

[Adapted from US Bankruptcy Code s1129(2)(B)(ii)]

(5) The Court may appoint any person of suitable knowledge, qualification or experience to assist the Court to estimate the amount that a creditor is expected to receive in the event that the company is wound up.

15 (6) In this section, "relevant meeting" means —

(a) in a case where the compromise or arrangement in question is subject to a re-vote under section 211G(2), the meeting held for that purpose; or

(b) in any other case, the meeting ordered by the Court
20 under section 210(1).

Power of Court to approve compromise or arrangement without meeting of creditors

25 **211I.**—(1) Subject to the provisions of this section, where a compromise or arrangement is proposed between a company and its creditors or any class of them, the Court may, upon an application made by the company, approve the compromise or arrangement despite the fact that no meeting has been ordered under section 210(1) and no such meeting has been held.

(2) The Court must not approve a compromise or arrangement
30 under subsection (1) unless —

(a) the company has provided each creditor sought to be bound by the compromise or arrangement with a

statement that is accompanied by the following information:

- 5
- (i) information concerning the company's property, assets, business activities, financial condition and prospects;
 - (ii) information on the manner in which the terms of the compromise or arrangement will, if it takes effect, affect the rights of the creditor;
 - 10 (iii) such other information as is necessary for the creditor to make an informed decision in relation to the compromise or arrangement;
- (b) the company has published a notice of the application under subsection (1) in the *Gazette* and in an English and Chinese local daily newspaper, and has sent a copy of the publication in the *Gazette* to the Registrar;
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- (c) the company has sent a notice and a copy of the application under subsection (1) to every creditor sought to be bound by the compromise or arrangement; and
- 20
- (d) the Court is satisfied that had a meeting of the creditors or class of creditors been summoned, the conditions in section 210(3AB)(a) and (b) would have been satisfied.
- (3) The statement mentioned in subsection (2)(a) must —
- 25
- (a) explain the effect of the compromise or arrangement and, in particular, state any material interests of the directors of the company, whether as directors or as members, creditors or holders of units of shares of the company or otherwise, and the effect that the compromise or arrangement has on these interests insofar as it is different from the effect on the like interests of other persons; and
 - 30 (b) where the compromise or arrangement affects the rights of debenture holders, contain the like explanation with respect to the trustee for the debenture holders as, under

paragraph (a), a statement is required to give with respect to the directors of the company.

(4) Each director and each trustee for debenture holders must give notice to the company of such matters relating to himself as may be necessary for the purposes of subsection (3) within 7 days of the receipt of a request in writing for information as to such matters.

(5) Where default is made in complying with any requirement of this section, the company and every officer of the company who is in default shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months.

(6) For the purpose of subsection (5), any trustee for debenture holders is treated as an officer of the company.

(7) Unless the Court otherwise orders, an order made under subsection (1) —

(a) has no effect until a copy of the order is lodged with the Registrar; and

(b) takes effect on and from the date of the lodgement.

Power of Court to review act, omission or decision etc., after approval etc., of compromise or arrangement

211J.—(1) This section applies after a compromise or arrangement mentioned in section 211A(1) has been approved by the Court under section 210(4) or 211I.

(2) Where the Court is satisfied that the company or the scheme manager of the compromise or arrangement has committed an act or omission or made a decision that results in a breach of any term of the compromise or arrangement, the Court may, on the application of the company, the scheme manager or any creditor bound by the compromise or arrangement —

(a) reverse or modify the act or decision of the company or the scheme manager; or

(b) give such direction or make such order as the Court thinks fit to rectify the omission of the company or scheme manager.

5 (3) The Court may, on an application of the company, the scheme manager or any creditor bound by the compromise or arrangement, clarify any term of the compromise or arrangement.

10 (4) No order or clarification made, and no direction given, by the Court under subsection (2) or (3) may alter, or affect any person's rights under, the terms of the compromise or arrangement as approved by the Court under section 210(4) or 211I.

15 (5) In this section, "scheme manager", in relation to a compromise or arrangement, means a person appointed by the company to administer the compromise or arrangement."

New section 227AA

3. The Companies Act is amended by inserting, immediately before section 227A, the following section:

"Interpretation

20 **227AA.** In this Part —

"company" means any corporation liable to be wound up under this Act;

25 "property" in relation to a company includes money, goods, things in action and every description of property, whether real or personal, and whether in Singapore or elsewhere, and also obligations and every description of interest whether present or future or vested or contingent arising out of, or incidental to, property."

Amendment of section 227B

30 4. Section 227B of the Companies Act is amended —

(a) by deleting the words “will be” in paragraph (a) of subsection (1) and substituting the words “is likely to become”;

5 (b) by inserting, immediately after “210” in sub-paragraph (ii) of subsection (1)(b), the words “or 211I”;

(c) by deleting paragraph (b) of subsection (5) and substituting the following paragraph:

“(b) the making of the order —

10 (i) is opposed by a person who has appointed or is entitled to appoint a receiver and manager mentioned in subsection (4); and

15 (ii) would cause prejudice to the person mentioned in sub-paragraph (i) that is disproportionately greater than the prejudice that would be caused to unsecured creditors of the company if the application for the judicial management order is dismissed.”; and

(d) by deleting subsection (11).

20 **New sections 227HA and 227HB**

5. The Companies Act is amended by inserting, immediately after section 227H, the following sections:

“Super-priority for rescue financing

25 **227HA.**— (1) At any time when a judicial management order is in force, the Court may, upon an application by the judicial manager under this section, where the condition in subsection (2) is met, order that —

30 (a) in the event of the winding up of the company, any debt arising from any credit obtained or to be obtained by the company is to be treated as if it were a cost or an expense of the winding up mentioned in section 328(1)(a);

- 5 (b) in the event of the winding up of the company, any debt arising from any credit obtained or to be obtained by the company is to have priority over all the preferential debts specified in section 328(1) and all other unsecured debts, if the company is unable to obtain the credit from any person unless the debt is to have the priority mentioned in this paragraph;
- 10 (c) any debt arising from any credit to be obtained by the company is to be secured by —
- (i) a security interest on property of the company that is not otherwise subject to any security interest; or
 - (ii) a subordinate security interest on property of the company that is subject to a security interest,
- 15 if the company is unable to obtain the credit from any person unless the debt is to be secured in the manner mentioned in this paragraph; or
- 20 (d) any debt arising from any credit to be obtained by the company is to be secured by a security interest, on property of the company that is subject to an existing security interest, that is to have equal or higher priority over the existing security interest in the property, if —
- (i) the company is unable to obtain the credit from any person unless the debt is to be secured in the manner mentioned in this paragraph; and
 - 25 (ii) there is adequate protection of the interest of the holder of the existing security interest in the property on which the security interest of an equal or higher priority is proposed to be granted.
- 30 (2) The condition mentioned in subsection (1) is that the credit is [necessary to enable] [for the purpose of enabling] one or more of the following purposes:
- (a) the survival of the company, or the whole or part of the undertaking of the company as a going concern;

(b) the approval under section 210 or 211 of a compromise or arrangement between the company and any persons mentioned in that section;

5 (c) a more advantageous realisation of the company's assets than would be effected on a winding up.

(3) When a judicial manager makes an application under subsection (1), the judicial manager must notify the creditors of the company.

10 (4) Any creditor may be heard in opposition to the application mentioned in subsection (1).

(5) Where more than one debt incurred by the company is the subject of an order of the Court under subsection (1)(b) (each debt called in this section a super priority debt), then in the event of a winding up of the company, the super priority debts are to

15 —

(a) rank equally amongst themselves; and

(b) be paid in full, unless the property of the company is insufficient to meet them, in which case they are to abate in equal proportions between themselves.

20 (6) In the event that the company is wound up, the super-priority debts constitute one class, and despite section 328

—

(a) the super-priority debts are to be paid in priority to all the preferential debts specified in section 328(1) and all other unsecured debts; and

25

(b) so far as the assets of the company available for payment of creditors of super-priority debts are insufficient to meet the super-priority debts, those debts have priority over the claims of the holders of debentures under any floating charge created by the company (which charge, as created, was a floating charge), and are to be paid accordingly out of any property comprised in or subject to that charge.

30

(7) The reversal or modification on appeal of an order made under subsection (1)(c) or (d) does not affect the validity of any debt so incurred, or any priority or security interest so granted, to a person who extended the credit in good faith, whether or not such person knew of the appeal, unless the order and the incurring of such debt, or the granting of such priority or security interest, were stayed pending appeal.

(8) Where adequate protection is required in subsection (1)(d)(ii), the adequate protection may be provided —

(a) by requiring the company to make a cash payment or periodic cash payments to the holder of the existing security interest in the property of the company, to the extent that the grant of the security interest of an equal or higher priority under subsection (1)(d) results in a decrease in the value of the holder’s existing security interest in the property;

(b) by providing to the holder of the existing security interest in the property of the company an additional or replacement security to the extent that the grant of the security interest of an equal or higher priority under subsection (1)(d) results in a decrease in the value of the holder’s existing security interest in the property; or

(c) by granting such other relief, other than entitling the holder of the existing security interest in the property of the company to compensation, that will result in the realisation by the holder of the indubitable equivalent of the holder’s existing security interest in the property.

[Adapted from section 361 US Bankruptcy Code]

(9) In this section, “security interest” means mortgage, charge, pledge, lien or other type of security interest recognised by law.

Priority of debts

227HB.—(1) Subject to this Act, in a distribution of the property of a company under judicial management, the following amounts are to be paid in priority to all other unsecured debts:

- (a) first, any debts incurred in accordance with an order made under section 227HA(1)(b);
- (b) second, any debts incurred by the judicial manager on behalf of the company;
- 5 (c) third, the following amounts ranking equally between themselves:
- (i) any debts incurred in accordance with an order made under section 227HA(1)(a);
 - 10 (ii) the costs of the applicant for the judicial management order (whether taxed or agreed);
 - (iii) the costs and expenses of administration arising in relation to judicial management, including the judicial manager's remuneration;
- 15 (d) fourth, subject to subsection (2), all wages or salary (whether or not earned wholly or in part by way of commission) including any amount payable by way of allowance or reimbursement under any contract of employment or award or agreement regulating the conditions of employment of any employee;
- 20 (e) fifth, subject to subsection (2), the amount due to an employee as a retrenchment benefit or an ex gratia payment under any contract of employment or award or agreement that regulates the conditions of employment, whether such amount becomes payable before, on or
- 25 after the date of the judicial management order;
- (f) sixth, all amounts due in respect of any work injury compensation under the Work Injury Compensation Act (Cap. 354) accrued before, on or after the date of the judicial management order;
- 30 (g) seventh, all amounts due in respect of contributions payable during a period of 12 consecutive months, commencing not earlier than 12 months before and ending not later than 12 months after the date of the judicial management order, by the company as the

employer of any person under any written law relating to employees' superannuation or provident funds or under any scheme of superannuation which is an approved scheme under the Income Tax Act (Cap. 134);

5

(h) eighth, subject to subsection (2), all remuneration payable to any employee in respect of vacation leave, or in the case of his death, to any other person in his right, accrued in respect of any period before, on or after the date of the judicial management order;

10

(i) ninth, the amount of all taxes assessed and any goods and services tax due under any written law before the date of the judicial management order or assessed at any time before the time fixed for the proving of debts has expired.

15

(2) The amount payable under subsection (1)(d), (e) and (h) must not exceed such amount as the Minister may prescribe by order published in the *Gazette*.

(3) For the purposes of subsection (1)(d), (e) and (h) —

20

“employee” means a person who has entered into or works under a contract of service with the company and includes a subcontractor of labour;

“wages or salary” includes —

25

(a) all arrears of money due to a subcontractor of labour;

(b) any amount payable to an employee on account of wages or salary during a period of notice of termination of employment or in lieu of notice of such termination, as the case may be, whether such amount becomes payable before, on or after the date of the judicial management order; and

30

(c) any amount payable to an employee, on termination of his employment, as a gratuity under any contract of employment, or under any award or

agreement that regulates the conditions of his employment, whether such amount becomes payable before, on or after the date of the judicial management order.

5 (4) For the purposes of subsection (1)(e) —

“ex gratia payment” means the amount payable to an employee on the date of the judicial management order in relation to his employer or on the termination of his service by his employer on the ground of redundancy or
10 by reason of any re-organisation of the employer, profession, business, trade or work, and “the amount payable to an employee” for these purposes means the amount stipulated in any contract of employment, award or agreement, as the case may be;

15 “retrenchment benefit” means the amount payable to an employee on the date of the judicial management order in relation to his employer, on the termination of his service by his employer on the ground of redundancy or by reason of any re-organisation of the employer, profession,
20 business, trade or work, and “the amount payable to an employee” for these purposes means the amount stipulated in any contract of employment, award or agreement, as the case may be, or if no amount is stipulated therein, such amount as is stipulated by the
25 Commissioner for Labour.

(5) The debts in subsection (1)(i) include —

(a) the amount of any levy due from the company under the Skills Development Levy Act (Cap. 306) at the time of the date of the start of the judicial management and
30 having become due within 12 months before the date of the judicial management order.

(b) the amount of any cess due from the company under the Singapore Tourism (Cess Collection) Act (Cap. 305C) at the time of the date of the judicial management order

and having become due within 12 months before the date of the judicial management order.

5 (6) The debts in each class specified in subsection (1) rank in the order therein specified but debts of the same class rank equally between themselves, and are to be paid in full, unless the property of the company is insufficient to meet them, in which case they are to abate in equal proportions between themselves.

10 (7) Where any payment has been made to any employee of the company on account of wages, salary or vacation leave out of money advanced by a person for that purpose, the person by whom the money was advanced has a right of priority in respect of the money so advanced and paid, up to the amount by which the sum in respect of which the employee would have been entitled to priority under this section has been diminished by
15 reason of the payment, and has the same right of priority in respect of that amount as the employee would have had if the payment had not been made.

20 (8) So far as the assets of the company available for payment of general creditors are insufficient to meet any preferential debts specified in subsection (1)(a), (b), (c), (d), (e), (g) and (h) and any amount payable in priority by virtue of subsection (7), those debts have priority over the claims of the holders of debentures under any floating charge created by the company (which charge, as created, was a floating charge), and are to be paid accordingly
25 out of any property comprised in or subject to that charge.”.

Amendment of section 351

30 **6.** Section 351(1) of the Companies Act is amended by deleting the full-stop at the end of sub-paragraph (iii) of paragraph (c) and substituting the word “; and”, and by inserting immediately thereafter the following sub-paragraph:

“(iv) if the Court is of the opinion that the company has a substantial connection with Singapore, taking into account the presence of one or more of the following factors in respect of the company:

- 5
- (A) Singapore is the centre of main interests of the company;
- (B) the company is carrying on business in Singapore or has a place of business in Singapore;
- (C) the company is a foreign company that is registered under this Division;
- (D) the company has substantial assets in Singapore;
- 10 (E) the company has chosen Singapore law as the law governing a loan or other transaction or the law governing the resolution of disputes arising out of or in connection with a loan or other transaction;
- 15 (F) the company has submitted to the jurisdiction of the Court for the resolution of disputes relating to a loan or other transaction.”.

New Division 6 of Part X

- 20 **7.** The Companies Act is amended by inserting, immediately after section 354, the following Division:

“DIVISION 6 — ADOPTION OF THE UNCITRAL MODEL
LAW ON CROSS-BORDER INSOLVENCY

Interpretation of this Division

- 25 **354A.**—(1) In this Division, “Model Law” means the UNCITRAL Model Law on Cross-Border Insolvency adopted by the United Nations Commission on International Trade Law on 30 May 1997.

*[Adapted from UK Cross-Border Insolvency Regulations
2006, Regulation 1]*

Model Law to have force of law

354B.—(1) The Model Law has the force of law in Singapore in the form set out in the Fourteenth Schedule (which contains the Model Law with certain modifications to adapt it for application in Singapore).

(2) For the purposes of interpreting any provision of the Model Law as set out in the Fourteenth Schedule, reference may be made to —

- (a) the documents, relating to the Model Law, of the United Nations Commission on International Trade Law and its working group for the preparation of the Model Law; and
- (c) the Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency (UN document A/CN.9/442).

(3) Subsection (2) does not affect the application of section 9A of the Interpretation Act (Cap. 1) for the purposes of interpreting the provisions of this Division and the Fourteenth Schedule.

[Adapted from UK Cross-Border Insolvency Regulations 2006, Regulation 2.]

Interaction with Singapore insolvency law

354C.—(1) Singapore insolvency law and Part VIII [*Receivers and Managers*] apply with such modifications as the context requires for the purpose of giving effect to the provisions of this Division and the Fourteenth Schedule.

(2) The provisions of the Fourteenth Schedule and the provisions in this Division are in addition to and not in derogation of the operation of section 377(2), (3), (4), (4A) and (7).

(3) In the event of any conflict between any provision of Part VIII and the provisions of the Fourteenth Schedule, the provisions of the Fourteenth Schedule prevail.

(4) In this section, “Singapore insolvency law” has the meaning given to it in Article 2(1)(k) of the Fourteenth Schedule.”.

[Adapted from UK Cross-Border Insolvency Regulations 2006, Regulation 3 and Australian Cross-Border Insolvency Act, section 22(2)]

Amendment of section 377

5 **8.** Section 377 of the Companies Act is amended —

(a) by deleting paragraph (c) of subsection (3) and substituting the following paragraph:

10 “(c) must, unless otherwise ordered by the Court, only recover and realise the assets of the foreign company in Singapore and, subject to paragraph (b) and subsection (7) —

15 (i) in a case where the foreign company is or was at any time prior to the liquidation or dissolution, a relevant company, pay the net amount so recovered and realised to the liquidator of that foreign company for the place where it was formed or incorporated after paying any debts and satisfying any liabilities incurred in Singapore by the foreign company; or

20

(ii) in any other case, pay the net amount so recovered and realised to the liquidator of that foreign company for the place where it was formed or incorporated.”;

25 (b) by inserting, immediately after subsection (4), the following subsection:

30 “(4A) A liquidator of a foreign company appointed for Singapore by the Court or a person exercising the powers and functions of such a liquidator must, before paying any amount so recovered and realised in Singapore to the liquidator of that foreign company for the place where it

was formed or incorporated, be satisfied that the interests of creditors in Singapore are adequately protected.”; and

(c) by inserting, immediately after subsection (13), the following subsection:

- 5 “(14) In this section, “relevant company” means a foreign company that is any of the following:
- (a) a bank licensed under section 7 of the Banking Act (Cap. 19);
 - 10 (b) a merchant bank, or any other financial institution, approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
 - (c) a finance company licensed under section 6 of the Finance Companies Act (Cap. 108);
 - 15 (d) a person licensed to carry on a remittance business under section 8 of the Money-changing and Remittance Businesses Act (Cap. 187);
 - (e) a licensed insurer licensed under section 8 of the Insurance Act (Cap. 142);
 - 20 (f) a corporation recognised as a recognised market operator under section 8 of the Securities and Futures Act (Cap. 289);
 - (g) a licensed foreign trade repository as defined in section 2(1) of the Securities and Futures Act;
 - 25 (h) a foreign corporation recognised as a recognised clearing house under section 51 of the Securities and Futures Act;
 - (i) a corporation approved as an approved holding company under section 81W of the Securities and Futures Act;
 - 30 (j) a holder of a capital markets services licence granted under section 86 of the Securities and Futures Act that does not carry on the business of providing credit rating services;

- (k) a Registered Fund Management Company as defined in the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg 10);
- 5 (l) a financial adviser licensed under section 13 of the Financial Advisers Act (Cap. 110);
- (m) a trust company licensed under section 5 of the Trust Companies Act (Cap. 336);
- 10 (n) an operator of a designated payment system designated under section 7 of the Payment Systems (Oversight) Act (Cap. 222A);
- (o) an approved holder of a widely accepted stored value facility approved under section 35 of the Payment Systems (Oversight) Act.”.

15 **New Fourteenth Schedule**

9. The Companies Act is amended by inserting, immediately after the Thirteenth Schedule, the following Schedule:

“FOURTEENTH SCHEDULE

Sections 354B and 354C

20 **UNCITRAL MODEL LAW ON CROSS BORDER INSOLVENCY**

PREAMBLE

The purpose of this Law is to provide effective mechanisms for dealing with cases of cross-border insolvency so as to promote the objectives of —

- 25 (a) cooperation between the courts and other competent authorities of Singapore and foreign States involved in cases of cross-border insolvency;
- (b) greater legal certainty for trade and investment;
- (c) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors and other interested persons,
- 30 including the debtor;

- (d) protection and maximization of the value of the debtor's property; and
- (e) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

5

CHAPTER I

GENERAL PROVISIONS

Article 1. Scope of Application

1. This Law applies where —

- 10 (a) assistance is sought in Singapore by a foreign court or a foreign representative in connection with a foreign proceeding; or
- (b) assistance is sought in a foreign State in connection with a proceeding under Singapore insolvency law; or
- 15 (c) a foreign proceeding and a proceeding under Singapore insolvency law in respect of the same debtor are taking place concurrently; or
- (d) creditors or other interested persons in a foreign State have an interest in requesting the commencement of, or participating in, a proceeding under Singapore insolvency law.

20 2. This Law does not apply to any proceedings concerning such entities or classes of entities which the Minister may, by order published in the Gazette, prescribe³.

25 3. The Court must not grant any relief, or modify any relief already granted, or provide any co-operation or coordination, under or by virtue of any of the provisions of this Law if and to the extent that such relief or modified relief or cooperation or coordination would, in the case of a proceeding under Singapore insolvency law, be prohibited under or by virtue of —

- 30 (a) Part VII or section 61, 62 or 76A of the Banking Act;
- (b) section 27(2) or 52(2) of the Deposit Insurance and Policy Owners' Protection Schemes Act;
- (c) Part IIIA of the Insurance Act;
- (d) the International Interests in Aircraft Equipment Act;

³It is intended that certain financial institutions will be excluded from the Model Law.

- (e) Part IVA or IVB or section 41C of the Monetary Authority of Singapore Act;
- (f) the Payment and Settlement Systems (Finality and Netting) Act;
- (g) Division 4 of Part III, or Part IIIAA, of the Securities and Futures Act; or
- (h) any written law which the Minister may, by order published in the *Gazette*, prescribe.

[Adapted from UK Cross-Border Insolvency Regulations 2006, Schedule 1, para 4]

4. Where a foreign proceeding regarding a debtor who is an insured in accordance with the provisions of the Third Parties (Rights against Insurers) Act or the Motor Vehicles (Third-Party Risks and Compensation) Act is recognised under this Law, any stay and suspension mentioned in Article 20(1) and any relief granted by the Court under Article 19 or 21 does not apply to or affect —

- (a) any transfer of rights of the debtor under that Act; or
- (b) any claim, action, cause or proceeding by a third party against an insurer under or in respect of rights of the debtor transferred under that Act.

5. Any suspension under this Law of the right to transfer, encumber or otherwise dispose of any of the debtor's property —

- (a) is subject to sections 46 and 47 of the Land Titles Act in relation to any estate or interest in land under the provisions of the Land Titles Act; and
- (b) in any other case, does not bind a purchaser of any estate or interest in land in good faith for money or money's worth unless the purchaser has express notice of the suspension.

6. In paragraph 5, "land" has the same meaning as in section 4(1) of the Land Titles Act.

Article 2. Definitions

For the purposes of this Law —

- (a) "the Court" except as otherwise provided in Articles 14(4) and 23(6)(b), means in relation to any matter the Court which in accordance with the provisions of Article 4 has jurisdiction in relation to that matter;
- (b) "chattel agreement" includes a conditional sale agreement, a chattel leasing agreement and a retention of title agreement;
- (c) "debtor" means a corporation as defined in section 4(1);

- (d) “establishment” means any place where the debtor has property, or any place of operations where the debtor carries out a non-transitory economic activity with human means and property or services;
- 5 (e) “foreign court” means a judicial or other authority competent to control or supervise a foreign proceeding;
- (f) “foreign main proceeding” means a foreign proceeding taking place in the State where the debtor has the centre of its main interests;
- 10 (g) “foreign non-main proceeding” means a foreign proceeding, other than a foreign main proceeding, taking place in a State where the debtor has an establishment;
- (h) “foreign proceeding” means a collective judicial or administrative proceeding in a foreign State, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the property and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganisation or liquidation;
- 15 *[Adapted from section 101(23)US Bankruptcy Code]*
- (i) “foreign representative” means a person or body, including one appointed on an interim basis, authorised in a foreign proceeding to administer the reorganisation or the liquidation of the debtor’s property or affairs or to act as a representative of the foreign proceeding;
- 20 (j) “security” means any mortgage, charge, lien or other security;
- 25 (k) “Singapore insolvency law” means —
- (i) provisions made by or under this Act (with the exception of Part VIII) or by or under this Act as extended or applied by or under any other enactment (excluding this Schedule); and
- (ii) the common law of Singapore relating to or in connection with the subject matter of this Act (with the exception of Part VIII or this Act as extended or applied by or under any other enactment (excluding this Schedule);
- 30 (l) “Singapore insolvency officeholder” means —
- (i) the Official Receiver when acting as liquidator, provisional liquidator or scheme manager of a scheme of arrangement under this Act; and
- 35 (ii) a person acting as a liquidator, provisional liquidator, judicial manager, interim judicial manager or scheme

manager of a scheme of arrangement under this Act, but does not include a person acting as a receiver;

- (m) “State” means Singapore and any country other than Singapore;
- (n) references to the law of Singapore includes its rules of private international law.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 2; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 2]

Article 3. International obligations of Singapore

To the extent that this Law conflicts with an obligation of Singapore arising out of any treaty or other form of agreement to which it is a party with one or more other States, the requirements of the treaty or agreement prevail.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 3; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 3]

Article 4. Competent Court

1. The functions mentioned in this Law relating to recognition of foreign proceedings and cooperation with foreign courts are to be performed by the High Court in Singapore.

2. Subject to paragraph 1 of this Article, the Court has jurisdiction in relation to the functions mentioned in that paragraph if —

- (a) the debtor —
 - (i) is or has been carrying on business within the meaning of section 366(1) in Singapore; or
 - (ii) has property situated in Singapore; or
- (b) the Court considers for any other reason that it is the appropriate forum to consider the question or provide the assistance requested.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 4; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 4]

Article 5. Authorisation of Singapore insolvency officeholders to act in a foreign State

1. A Singapore insolvency officeholder is authorised to act in a foreign State on behalf of a proceeding under Singapore insolvency law, as permitted by the applicable foreign law.

2. The Court has the power to appoint any other person or persons to act in a foreign State on behalf of a proceeding under Singapore insolvency law, as permitted by the applicable foreign law.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 5; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 5]

Article 6. Public policy exception

5 Nothing in this Law prevents the Court from refusing to take an action governed by this Law if the action would be contrary to the public policy of Singapore.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 6; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 6]

Article 7. Additional assistance under other laws

10 Nothing in this Law limits the power of a Court, Singapore insolvency officeholder, or a receiver or manager to provide additional assistance to a foreign representative under other laws of Singapore.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 7; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 7]

Article 8. Interpretation

15 In the interpretation of this Law, regard is to be had to its international origin and to the need to promote uniformity in its application and the observance of good faith.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 8; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 8]

CHAPTER II

ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO COURTS IN SINGAPORE

Article 9. Right of direct access

20 A foreign representative is entitled to apply directly to the Court in Singapore.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 9; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 9]

Article 10. Limited jurisdiction

5 The sole fact that an application under this Law is made to the Court in Singapore by a foreign representative does not subject the foreign representative or the foreign property and affairs of the debtor to the jurisdiction of the courts of Singapore for any purpose other than the application.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 10; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 10]

Article 11. Application by a foreign representative to commence a proceeding under Singapore insolvency law

10 A foreign representative appointed in a foreign main proceeding or foreign non-main proceeding is entitled to apply to commence a proceeding under Singapore insolvency law if the conditions for commencing such a proceeding are otherwise met.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 11; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 11]

Article 12. Participation of a foreign representative in a proceeding under Singapore insolvency law

15 Upon recognition of a foreign proceeding, the foreign representative is entitled to participate in a proceeding regarding the debtor under Singapore insolvency law.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 12; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 12]

Article 13. Access of foreign creditors to a proceeding under Singapore insolvency law

20 1. Subject to paragraph 2 of this Article, foreign creditors have the same rights regarding the commencement of, and participation in, a proceeding under Singapore insolvency law as creditors in Singapore.

25 2. Paragraph 1 of this Article does not affect the ranking of claims in a proceeding under Singapore insolvency law, or the exclusion of foreign tax claims, social security claims or claims for employees' superannuation or provident funds or under any scheme of superannuation (collectively, "tax and social security obligations") from such a proceeding. Nevertheless, the claims of foreign creditors other than those concerning tax and social security obligations are not to be given a lower priority than that of general unsecured claims solely because the holder of such a claim is a foreign creditor.

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[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 13; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 13]

Article 14. Notification to foreign creditors of a proceeding under Singapore insolvency law

5 1. Whenever under Singapore insolvency law notification is to be given to creditors in Singapore, such notification must also be given to the known creditors who do not have addresses in Singapore. The Court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

2. The notification under paragraph 1 of this Article must be made to the foreign creditors individually, unless —

- 10 (a) the Court considers that under the circumstances some other form of notification would be more appropriate; or
- (b) the notification to creditors in Singapore is to be by advertisement only, in which case the notification to the known foreign creditors may be by advertisement in such foreign newspapers as the Singapore insolvency officeholder considers most appropriate for ensuring that the content of the notification comes to the notice of the known foreign creditors.
- 15

3. When notification of a right to file a claim is to be given to foreign creditors, the notification must —

- 20 (a) indicate a reasonable time period for filing claims and specify the place for their filing;
- (b) indicate whether secured creditors need to file their secured claims; and
- (c) contain any other information required to be included in such a notification to creditors under the law of Singapore and the orders of the Court.
- 25

4. In this Article “the Court” means the Court which has jurisdiction in relation to the particular proceeding under Singapore insolvency law under which notification is to be given to creditors.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 14; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 14]

CHAPTER III**RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF****Article 15. Application for recognition of a foreign proceeding**

- 5 1. A foreign representative may apply to the Court for recognition of the foreign proceeding in which the foreign representative has been appointed.
2. An application for recognition must be accompanied by —
- (a) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;
 - 10 (b) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or
 - (c) 15 in the absence of evidence mentioned in sub-paragraphs (a) and (b), any other evidence acceptable to the Court of the existence of the foreign proceeding and of the appointment of the foreign representative.
3. An application for recognition must also be accompanied by a statement identifying all foreign proceedings, proceedings under Singapore insolvency law and proceedings under Part VIII of this Act in respect of the debtor that are known to the foreign representative.
- 20 4. The foreign representative must provide the Court with a translation into English of documents supplied in support of the application for recognition.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 15; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 15]

Article 16. Presumptions concerning recognition

- 25 1. If the decision or certificate mentioned in Article 15(2) indicates that the foreign proceeding is a proceeding within the meaning of Article 2(h) and that the foreign representative is a person or body within the meaning of Article 2(i), the Court is entitled to so presume.
2. The Court is entitled to presume that documents submitted in support of the application for recognition are authentic, whether or not they have
30 been legalised.
3. In the absence of proof to the contrary, the debtor's registered office is presumed to be the centre of the debtor's main interests.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 16; UK Cross-Border Insolvency Regulations 2006, Article 16]

Article 17. Decision to recognise a foreign proceeding

1. Subject to Article 6, a foreign proceeding must be recognised if —

- (a) it is a foreign proceeding within the meaning of Article 2(h);
- (b) the foreign representative applying for recognition is a person or body within the meaning of Article 2(i);
- (c) the application meets the requirements of Article 15(2) and (3); and
- (d) the application has been submitted to the Court mentioned in Article 4.

2. The foreign proceeding must be recognised—

- (a) as a foreign main proceeding if it is taking place in the State where the debtor has the centre of its main interests; or
- (b) as a foreign non-main proceeding if the debtor has an establishment within the meaning of Article 2(d) in the foreign State.

3. An application for recognition of a foreign proceeding must be decided upon at the earliest possible time.

4. The provisions of Articles 15 to 16, this Article and Article 18 do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have fully or partially ceased to exist and in such a case, the Court may, on the application of the foreign representative or a person affected by the recognition, or of its own motion, modify or terminate recognition, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 17; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 17]

Article 18. Subsequent information

From the time of filing the application for recognition of the foreign proceeding, the foreign representative must inform the Court promptly of —

- (a) any substantial change in the status of the recognised foreign proceeding or the status of the foreign representative's appointment; and
- (b) any other foreign proceeding, proceeding under Singapore insolvency law or proceeding under Part VIII of this Act regarding the same debtor that becomes known to the foreign representative.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 18; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 18]

Article 19. Relief that may be granted upon application for recognition of a foreign proceeding

5 1. From the time of filing an application for recognition until the application is decided upon, the Court may, at the request of the foreign representative, where relief is urgently needed to protect the property of the debtor or the interests of the creditors, grant relief of a provisional nature, including —

- (a) staying execution against the debtor's property;
- 10 (b) entrusting the administration or realisation of all or part of the debtor's property located in Singapore to the foreign representative or another person designated by the Court, in order to protect and preserve the value of property that, by its nature or because of other circumstances, is perishable, susceptible to devaluation or otherwise in jeopardy; and
- 15 (c) any relief mentioned in Article 21(1)(c), (d) or (g).

2. Unless extended under Article 21(1)(f), the relief granted under this Article terminates when the application for recognition is decided upon.

3. The Court may refuse to grant relief under this Article if such relief would interfere with the administration of a foreign main proceeding.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 19; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 19]

20 **Article 20. Effects of recognition of a foreign main proceeding**

1. Upon recognition of a foreign proceeding that is a foreign main proceeding, subject to paragraph 2 of this Article —

- 25 (a) commencement or continuation of individual actions or individual proceedings concerning the debtor's property, rights, obligations or liabilities is stayed;
- (b) execution against the debtor's property is stayed; and
- (c) the right to transfer, encumber or otherwise dispose of any property of the debtor is suspended.

2. The stay and suspension mentioned in paragraph 1 of this Article are —

- 30 (a) the same in scope and effect as if the debtor had been made the subject of a winding-up order under this Act; and

- (b) subject to the same powers of the Court and the same prohibitions, limitations, exceptions and conditions as would apply under the law of Singapore in such a case,

5 and the provisions of paragraph 1 of this Article are to be interpreted accordingly.

3. Without prejudice to paragraph 2 of this Article, the stay and suspension mentioned in paragraph 1 of this Article do not affect any right —

- (a) to take any steps to enforce security over the debtor's property;
- 10 (b) to take any steps to repossess goods in the debtor's possession under a hire-purchase agreement;
- (c) exercisable under or by virtue of or in connection with the Third Parties (Rights against Insurers) Act or Motor Vehicles (Third-Party Risks and Compensation) Act; or
- (d) of a creditor to set off its claim against a claim of the debtor,

15 being a right which would have been exercisable if the debtor had been made the subject of a winding-up order under this Act.

4. Paragraph 1(a) of this Article does not affect the right to —

- (a) commence individual actions or proceedings to the extent necessary to preserve a claim against the debtor; or
- 20 (b) commence or continue any criminal proceedings or any action or proceedings by a person or body having regulatory, supervisory or investigative functions of a public nature, being an action or proceedings brought in the exercise of those functions.

25 5. Paragraph 1 of this Article does not affect the right to request or otherwise initiate the commencement of a proceeding under Singapore insolvency law or the right to file claims in such a proceeding.

30 6. In addition to and without prejudice to any powers of the Court under or by virtue of paragraph 2 of this Article, the Court may, on the application of the foreign representative or a person affected by the stay and suspension mentioned in paragraph 1 of this Article, or of its own motion, modify or terminate such stay and suspension or any part of it, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 20; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 20]

Article 21. Relief that may be granted upon recognition of a foreign proceeding

5 1. Upon recognition of a foreign proceeding, whether main or non-main, where necessary to protect the property of the debtor or the interests of the creditors, the Court may, at the request of the foreign representative, grant any appropriate relief, including —

- 10 (a) staying the commencement or continuation of individual actions or individual proceedings concerning the debtor's property, rights, obligations or liabilities, to the extent they have not been stayed under Article 20(1)(a);
- (b) staying execution against the debtor's property to the extent it has not been stayed under Article 20(1)(b);
- 15 (c) suspending the right to transfer, encumber or otherwise dispose of any property of the debtor to the extent this right has not been suspended under Article 20(1)(c);
- (d) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's property, affairs, rights, obligations or liabilities;
- 20 (e) entrusting the administration or realisation of all or part of the debtor's property located in Singapore to the foreign representative or another person designated by the Court;
- (f) extending relief granted under Article 19(1); and
- 25 (g) granting any additional relief that may be available to a Singapore insolvency officeholder under the law of Singapore, including any relief provided under section 227D(4).

30 2. Upon recognition of a foreign proceeding, whether main or non-main, the Court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's property located in Singapore to the foreign representative or another person designated by the Court, provided that the Court is satisfied that the interests of creditors in Singapore are adequately protected.

35 3. In granting relief under this Article to a representative of a foreign non-main proceeding, the Court must be satisfied that the relief relates to property that, under the law of Singapore, should be administered in the foreign non-main proceeding or concerns information required in that proceeding.

40 4. No stay under paragraph 1(a) of this Article affects the right to commence or continue any criminal proceedings or any action or proceedings by a person or body having regulatory, supervisory or investigative functions of a public nature, being an action or proceedings brought in the exercise of those functions.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 21; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 21]

Article 22. Protection of creditors and other interested persons

1. In granting or denying relief under Article 19 or 21, or in modifying or terminating relief under paragraph 3 of this Article or Article 20(6), the Court must be satisfied that the interests of the creditors (including any secured creditors or parties to hire-purchase agreements) and other interested persons, including if appropriate the debtor, are adequately protected.

2. The Court may subject relief granted under Article 19 or 21 to conditions it considers appropriate, including the provision by the foreign representative of security or caution for the proper performance of his functions.

3. The Court may, at the request of the foreign representative or a person affected by relief granted under Article 19 or 21, or of its own motion, modify or terminate such relief.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 22; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 22]

Article 23. Actions to avoid acts detrimental to creditors

1. Subject to paragraphs 6 and 9 of this Article, upon recognition of a foreign proceeding, the foreign representative has standing to make an application to the Court for an order under or in connection with sections 329, 330, 331 and 340 of this Act and section 73B of the Conveyancing and Law of Property Act (Cap. 61).

2. Where the foreign representative makes such an application under paragraph 1 of this Article (“an Article 23 application”), the sections mentioned in paragraph 1 of this Article apply —

(a) whether or not the debtor is being wound up or is in judicial management or undergoing a scheme of arrangement, under Singapore insolvency law; and

(b) with the modifications set out in paragraph 3 of this Article.

3. The modifications mentioned in paragraph 2 of this Article are as follows —

(a) for the purposes of section 100(1) of the Bankruptcy Act read with section 329 —

(i) the day of the making of the bankruptcy application is the date of the opening of the relevant foreign proceeding; and

(ii) section 329(2) does not apply;

- (b) for the purposes of section 102(3A) of the Bankruptcy Act read with section 329 —
- (i) a person has notice of the relevant proceedings if he has notice of the opening of the relevant foreign proceeding; and
 - (ii) section 329(2) does not apply;
- (c) for the purposes of section 103(2) of the Bankruptcy Act read with section 329 —
- (i) the commencement of the bankruptcy is the date of the opening of the relevant foreign proceeding; and
 - (ii) section 329(2) does not apply; and
- (d) for the purposes of sections 330 and 331, the commencement of the winding up is the date of the opening of the relevant foreign proceeding.

4. For the purposes of paragraph 3 of this Article, the date of the opening of the foreign proceeding is to be determined in accordance with the law of the State in which the foreign proceeding is taking place, including any rule of law by virtue of which the foreign proceeding is deemed to have opened at an earlier time.

5. When the foreign proceeding is a foreign non-main proceeding, the Court must be satisfied that the article 23 application relates to property that, under the law of Singapore, should be administered in the foreign non-main proceeding.

6. At any time when a proceeding under Singapore insolvency law is taking place regarding the debtor —

- (a) the foreign representative must not make an article 23 application except with the permission of the Court; and
- (b) references to “the Court” in paragraphs 1, 5 and 7 of this Article are references to the Court in which that proceeding is taking place.

7. On making an order on an article 23 application, the Court may give such directions regarding the distribution of any proceeds of the claim by the foreign representative, as it thinks fit to ensure that the interests of creditors in Singapore are adequately protected.

8. Nothing in this Article affects the right of a Singapore insolvency officeholder to make an application under or in connection with any of the provisions mentioned in paragraph 1 of this Article.

9. Nothing in paragraph 1 of this Article applies in respect of any preference given, floating charge created, alienation, assignment made or

other transaction entered into before the date on which this Law comes into force.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 23; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 23]

Article 24 Intervention by a foreign representative in proceedings in Singapore

5 Upon recognition of a foreign proceeding, the foreign representative may, provided the requirements of the law of Singapore are met, intervene in any proceedings in which the debtor is a party.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 23; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 24]

CHAPTER IV

COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

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Article 25. Cooperation and direct communication between a Court of Singapore and foreign courts or foreign representatives

15 1. In matters mentioned in Article 1(1), the Court may cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through a Singapore insolvency officeholder.

2. The Court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 25; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 25]

Article 26 Cooperation and direct communication between the Singapore insolvency officeholder and foreign courts or foreign representatives

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25 1. In matters mentioned in Article 1(1), a Singapore insolvency officeholder must to the extent consistent with the Singapore insolvency officeholder's other duties under the law of Singapore, in the exercise of the Singapore insolvency officeholder's functions and subject to the supervision of the Court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

2. The Singapore insolvency officeholder is entitled, in the exercise of the Singapore insolvency officeholder's functions and subject to the supervision

of the Court, to communicate directly with foreign courts or foreign representatives.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 26; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 26]

Article 27 Forms of cooperation

5 Cooperation mentioned in Articles 25 and 26 may be implemented by any appropriate means, including —

- (a) appointment of a person to act at the direction of the Court;
- (b) communication of information by any means considered appropriate by the Court;
- 10 (c) coordination of the administration and supervision of the debtor's property and affairs;
- (d) approval or implementation by courts of agreements concerning the coordination of proceedings;
- (e) coordination of concurrent proceedings regarding the same debtor.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 27; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 27]

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CHAPTER V

CONCURRENT PROCEEDINGS

Article 28. Commencement or continuation of a proceeding under Singapore insolvency law after recognition of a foreign main proceeding

20 After recognition of a foreign main proceeding, the effects of a proceeding under Singapore insolvency law in relation to the same debtor are to, insofar as the property of that debtor are concerned, be restricted to property that is located in Singapore and, to the extent necessary to implement cooperation and coordination under Articles 25, 26 and 27, to
25 other property of the debtor that, under the law of Singapore, should be administered in that proceeding.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 28; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 28]

Article 29. Coordination of a proceeding under Singapore insolvency law and a foreign proceeding

Where a foreign proceeding and a proceeding under Singapore insolvency law are taking place concurrently regarding the same debtor, the Court may seek cooperation and coordination under Articles 25, 26 and 27, and the following apply —

- (a) when the proceeding in Singapore is taking place at the time the application for recognition of the foreign proceeding is filed —
 - (i) any relief granted under Article 19 or 21 must be consistent with the proceeding in Singapore; and
 - (ii) if the foreign proceeding is recognised in Singapore as a foreign main proceeding, Article 20 does not apply;
- (b) when the proceeding in Singapore commences after the filing of the application for recognition of the foreign proceeding —
 - (i) any relief in effect under Article 19 or 21 must be reviewed by the Court and must be modified or terminated if inconsistent with the proceeding in Singapore;
 - (ii) if the foreign proceeding is a foreign main proceeding, the stay and suspension mentioned in Article 20(1) must be modified or terminated under Article 20(6), if inconsistent with the proceeding in Singapore; and
 - (iii) any proceedings brought by the foreign representative by virtue of Article 23(1) before the proceeding in Singapore commenced must be reviewed by the Court and the Court may give such directions as it thinks fit regarding the continuance of those proceedings; and
- (c) in granting, extending or modifying relief granted to a representative of a foreign non-main proceeding, the Court must be satisfied that the relief relates to property that, under the law of Singapore, should be administered in the foreign non-main proceeding or concerns information required in that proceeding.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 29; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 29]

Article 30. Coordination of more than one foreign proceeding

In matters mentioned in Article 1(1), in respect of more than one foreign proceeding regarding the same debtor, the Court may seek cooperation and coordination under Articles 25, 26 and 27, and the following are to apply —

- (a) any relief granted under Article 19 or 21 to a representative of a foreign non-main proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding;
- 5 (b) if a foreign main proceeding is recognised after the filing of an application for recognition of a foreign non-main proceeding, any relief in effect under Article 19 or 21 must be reviewed by the Court and must be modified or terminated if inconsistent with the foreign main proceeding; and
- 10 (c) if, after recognition of a foreign non-main proceeding, another foreign non-main proceeding is recognised, the Court is to grant, modify or terminate relief for the purpose of facilitating coordination of the proceedings.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 30; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 30]

Article 31. Presumption of insolvency based on recognition of a foreign main proceeding

15 In the absence of evidence to the contrary, recognition of a foreign main proceeding is, for the purpose of commencing a proceeding under Singapore insolvency law, proof that the debtor is unable to pay its debts within the meaning given to the expression under Singapore insolvency law.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 31; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 31]

Article 32. Rule of payment in concurrent proceedings

20 Without prejudice to secured claims or rights in rem, a creditor who has received part payment in respect of its claim in a proceeding under a law relating to insolvency in a foreign State may not receive a payment for the same claim in a proceeding under Singapore insolvency law regarding the same debtor, so long as the payment to the other creditors of the same class

25 is proportionately less than the payment the creditor has already received.”.

[Adapted from UNCITRAL Model Law on Cross-Border Insolvency, Article 32; UK Cross-Border Insolvency Regulations 2006, Schedule 1, Article 32]

EXPLANATORY STATEMENT

This Bill seeks to

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.
