

Public consultation on legislative amendments to the Bankruptcy Act in relation to the Debt Repayment Scheme

MinLaw has proposed the introduction of a Debt Repayment Scheme (DRS), which seeks to assist a debtor, with debts of \$100,000, or less to avert bankruptcy. The DRS provides a win-win outcome for both the debtor and his creditors. The debtor will be able to enter into a debt repayment plan with his creditors, avoid bankruptcy, its social stigma, disqualifications and disabilities, and have a fresh start, if he dutifully meets his financial obligations under the DRS. In turn, he will repay as much as possible to his creditors through apportioning his income, the realisation of his relevant assets and making adjustments to his lifestyle where necessary. His creditors will receive no less than what they would expect to receive had the debtor gone into bankruptcy.

2. MinLaw and IPTO conducted a public consultation on the proposed Debt Repayment Scheme (DRS) last year. This was to seek feedback and suggestions on the DRS framework and process.

3. We have incorporated some of the suggestions provided in that public consultation, and have issued our response to the feedback from the public consultation.

Public consultation on draft Bankruptcy (Amendment) Bill

4. MinLaw and IPTO would now like to seek feedback on the draft Bankruptcy (Amendment) Bill, which seeks to introduce the Debt Repayment Scheme. The public consultation will be for the period **22 September 2008 to 17 October 2008**.

5. Please submit your feedback via email by **17 October 2008** to beverly_wee@ipto.gov.sg or by mail to:

Attn: Ms Beverly Wee
Debt Repayment Scheme Feedback
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