**OFFICIAL ASSIGNEE  
PRACTICE CIRCULAR NO. 3 OF 2020**

**IMPLEMENTATION OF THE**

**INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018 (ACT 40 OF 2018)**

This Practice Circular sets out the revised operational procedures for the administration of cases under the personal insolvency regime pursuant to the Insolvency, Restructuring and Dissolution Act 2018 (“IRDA”) and its subsidiary legislations.

**BACKGROUND**

2. The IRDA, which comes into effect on 30 July 2020, consolidates the written laws relating to personal and corporate insolvency and debt restructuring and establishes a licensing and regulatory regime for insolvency practitioners.

3. The personal insolvency regime previously governed by the Bankruptcy Act (Cap 20) (“Bankruptcy Act”), is repealed on 30 July 2020 with the commencement of the IRDA.

**APPLICABILITY**

4. This Practice Circular applies only to cases where the bankruptcy applications are made on or after 30 July 2020.

5 The relevant provisions under the Bankruptcy Act continue to apply to bankruptcy applications made before 30 July 2020. For existing cases under the Bankruptcy Act regime, the Bankruptcy Act continues to apply to debtors under the Debt Repayment Scheme and to personal insolvency cases

**Key PROVISIONS to personal insolvency regime under the IRDA**

6. The IRDA seeks to strengthen Singapore’s individual insolvency regime and facilitate a more effective use of resources during case administration. Several changes have been introduced to this effect, including but not limited to:

a. Sections 273 to 437 relate to personal insolvency under the IRDA. These provisions have been moved from the existing provisions under the Bankruptcy Act and remain largely unchanged, as significant amendments were made under the Bankruptcy (Amendment) Act 2015.

b. Section 327(4) of the IRDA requires secured creditors to notify the trustee in bankruptcy if they intend to claim interest on the debt for the period between the Bankruptcy Order and enforcement of the security within 30 days of the Bankruptcy Order.

c. Section 356(2)(a) of the IRDA allows creditors to claim and file a proof of debt for the full contractual amount in a case where the Bankruptcy Application is filed on or after 30 July 2020.

d. Section 289(2)(a) of the IRDA and Regulation 4(1) of the Insolvency, Restructuring and Dissolution (Debt Repayment Scheme) Regulations 2020 increases the maximum debt threshold for the Debt Repayment Scheme from $100,000 to $150,000[[1]](#footnote-2).

**STATUTORY FORMS**

7. The forms prescribed under the Insolvency, Restructuring and Dissolution Regulations can be found at [https://io.mlaw.gov.sg/bankruptcy/forms/](https://io.mlaw.gov.sg/bankruptcy/forms/XXXXXX/) for Individual Insolvency and <https://io.mlaw.gov.sg/debt-repayment-scheme/forms/> for Debt Repayment Scheme.

**CLARIFICATIONS**

8. For information on the new licensing and regulatory regime for insolvency practitioners, please visit our website <https://lripd.mlaw.gov.sg>.

9. For queries regarding this Practice Circular, please contact us at Tel: 1800-2255-529 or through our online enquiry form at our website [https://eservices.mlaw.gov.sg/enquiry/](http://www.mlaw.gov.sg/io).

10. This Practice Circular shall take immediate effect.

TAN BOON HENG

OFFICIAL ASSIGNEE

SINGAPORE

30 July 2020

(This Practice Circular is also available on the website of The Insolvency & Public Trustee’s Office at: [https://io.mlaw.gov.sg](http://www.mlaw.gov.sg/io))

1. Under the COVID-19 (Temporary Measures) Act (“COVID-19 Act”) which takes effect from 20 April 2020 to 20 October 2020 (this period may be subject to change), the debt threshold under the Debt Repayment Scheme is increased from $100,000 to $250,000. [↑](#footnote-ref-2)