

122C. Contents of proposal

- (1) The debtor's proposal shall provide a short explanation why, in his opinion, a voluntary arrangement is desirable, and give reasons why his creditors may be expected to concur with such an arrangement.
- (2) The following matters shall be stated, or otherwise dealt with, in the proposal—
 - (a) the following matters, so far as within the debtor's immediate knowledge—
 - (i) his assets, with an estimate of their respective values and the basis of that estimate;
 - (ii) the extent (if any) to which the assets are charged in favour of creditors;
 - (iii) the extent (if any) to which particular assets are to be excluded from the voluntary arrangement;
 - (b) particulars of any property, other than assets of the debtor himself, which is proposed to be included in the arrangement, the source of such property and the terms on which it is to be made available for inclusion;
 - (c) the nature and amount of the debtor's liabilities (so far as within his immediate knowledge), the manner in which they are proposed to be met, modified, postponed or otherwise dealt with by means of the arrangement and (in particular)—
 - (i) how it is proposed to deal with creditors of the debtor in respect of debts that are given priority under section 38 of the Ordinance and creditors who are, or claim to be, secured;
 - (ii) how associates of the debtor (being creditors of his) are proposed to be treated under the arrangement; and
 - (iii) in Case 1 whether, to the debtor's knowledge, claims have been made under section 49, 50 or 71A of the Ordinance, or there are circumstances giving rise to the possibility of such claims, and in Case 2 whether there are circumstances which would give rise to the possibility of such claims in the event that he should be adjudged bankrupt,
and, where any such circumstances are present, whether, and if so how, it is proposed under the voluntary arrangement to make provision for wholly or partly indemnifying the insolvent estate in respect of such claims;
 - (d) whether any, and if so what, guarantees have been given of the debtor's debts by other persons, specifying which (if any) of the guarantors are associates of his;
 - (e) the proposed duration of the voluntary arrangement;
 - (f) the proposed dates of distributions to creditors, with estimates of their amounts;
 - (g) the amount proposed to be paid to the nominee (as such) by way of remuneration and expenses;
 - (h) whether, for the purposes of the arrangement, any guarantees are to be offered by any persons other than the debtor, and whether (if so) any security is to be given or sought;
 - (i) the manner in which funds held for the purposes of the arrangement are to be banked, invested or otherwise dealt with pending distribution to creditors;
 - (j) the manner in which funds held for the purpose of payment to creditors, and not so paid on the termination of the arrangement, are to be dealt with;
 - (k) if the debtor has any business, the manner in which it is proposed to be conducted during the course of the arrangement;
 - (l) details of any further credit facilities which it is intended to arrange for the debtor, and

- how the debts so arising are to be paid;
- (m) the manner in which it is proposed that the nominee of the arrangement should be remunerated, and his expenses defrayed;
 - (n) the functions which are to be undertaken by the nominee of the arrangement;
 - (o) the name, address and qualification of the person proposed as the nominee of the voluntary arrangement, and confirmation that he is (so far as the debtor is aware) experienced and qualified to act as a nominee in relation to the voluntary arrangement either as trustee or otherwise for the purpose of supervising its implementation.
- (3) With the agreement in writing of the nominee, the debtor's proposal may be amended at any time up to the delivery of the former's report to the court under section 20D of the Ordinance.

(L.N. 77 of 1998)