

**THE BANKRUPTCY AND INSOLVENCY
ACT, 2014**
(Act of 2014)

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Interpretation. 2.—(1) In this Act, unless the context otherwise requires—

“access device” means any card, plate, code, account number, electronic serial number, mobile identification number, personal identification number and any other means of access that can be used alone or with another device, to obtain a benefit or other thing of value, or that can be used to initiate a transfer of money;

“affidavit” includes a statutory declaration or a solemn affirmation;

“assignment” means an assignment filed with the Supervisor of Insolvency in accordance with Part IV;

“authorized person” means any person designated by the Registrar of the Supreme Court as an authorized person;

“bailiff” includes any officer charged with the execution of a writ or other process under this Act or any other enactment or proceeding, with respect to any property of a debtor;

“bank” means a bank licensed under the Banking Act;

“bankrupt” means a person who has made an assignment or against whom a receiving order has been made under section 4;

“books” and “records” include documents as well as data maintained or processed manually, mechanically, photographically or electronically by any form of information-storage device;

“claim provable in bankruptcy” includes any claim or liability provable in proceedings under this Act by a creditor and “provable claim” or “claim provable”, shall be construed accordingly;

“composition” means an agreement between the compounding debtor and all or some of his creditors

ABILL

ENTITLED

AN ACT to Repeal the Bankruptcy Act and make new provisions for the regulation of bankruptcy and insolvency; to make provisions for corporate and individual insolvency; to provide for the rehabilitation of the insolvent debtor; to create the office of Supervisor of Insolvency; and for connected matters.

[]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

PART I. *Preliminary*

1. This Act may be cited as the Bankruptcy and Insolvency Act, 2014, and shall come into operation on a day to be appointed by the Minister by notice published in the *Gazette* (hereinafter referred to as “the appointed day”).

Short title
and
commence-
ment.

by which the compounding creditors agree with the debtor, and, expressly or impliedly, with each other, to accept from the debtor payment of less than the amounts due to them in full satisfaction of the whole of their claims;

“corporation” means, subject to section 28, any incorporated entity, authorized to carry on business in Jamaica or that has an office or property in Jamaica, but does not include —

- (a) a company licensed under the Financial Institutions Act;
- (b) a bank;
- (c) a building society licensed under the Building Societies Act; or
- (d) a company that—
 - (i) engages in insurance business within the meaning of the Insurance Act; or
 - (ii) performs services as an insurance intermediary within the meaning of the Insurance Act,

but is not an insurance consultant or an adjuster, however, where the debtor is an excluded corporation, nothing contained in this Act shall in any way preclude the powers of the Regulator under the relevant Acts and any restrictions under those Acts shall continue to apply;

“Court” means the Supreme Court and includes a Judge sitting in chambers in matters of bankruptcy and any other court as the Minister may by order prescribe;

“creditor” means a person having a claim, unsecured, preferred by virtue of priority under section 29 or secured, provable as a claim under this Act and includes a surety or guarantor for the debt due to any such person;

“date of the initial bankruptcy event” means in relation to a bankrupt the earliest of the date of filing of or making of—

- (a) an assignment by or in respect of a person;

- (b) a proposal by or in respect of a person;
- (c) a notice of intention by a person;
- (d) the first petition for a receiving order against a person;

“debtor” includes—

- (a) an insolvent person;
- (b) any person who at the time an act of bankruptcy was committed by him, resided or carried on business in Jamaica; and
- (c) where the context otherwise requires, includes a bankrupt;

“fraudulent preference” shall be construed in accordance with section 117;

“functions” includes powers and duties;

“goods” includes all chattels personal;

“goods” means tangible personal property, crops and the unborn young of animals, but does not include a document of title, a financial instrument or money;

“Government Trustee” means the Government Trustee appointed under section 225;

“insolvent person”—

- (a) means a person who resides, carries on business or has property in Jamaica, whose liabilities to creditors provable as claims under this Act, amount to not less than two hundred and fifty thousand dollars or such other amount as the Minister may prescribe as the threshold and—
 - (i) who is for any reason is unable to meet his obligations as they generally become due;
 - (ii) who has ceased paying his current obligations in the ordinary course of

business as they generally become due;
or

- (iii) the aggregate of whose property is not at a fair valuation, sufficient or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations due and accruing due;

(b) does not include a bankrupt;

“inspector” means an inspector appointed under section 145;

“looming insolvent” means a person who is not an insolvent person, but if corrective or preventative action is not taken will likely become an insolvent person within twelve months of the filing of a proposal;

“ordinary resolution” means a resolution carried by the majority of votes and for that purpose, the votes of a creditor shall be calculated by counting one vote for each dollar of every claim of the creditor that is not disallowed;

“person” includes a partnership, an unincorporated association, a corporation, a co-operative society or an organization, the successors of a partnership, association, corporation, society or organization, and the heirs, executors, liquidators of the succession, administrators or other legal representative of an individual;

“prescribed threshold” means a situation where a debtor owes one or more creditors and the debt owing to such creditor or creditors amounts to a sum of not less than three thousand dollars;

“property” includes money, goods, choses in action, land and every description of property, whether real or personal, legal or equitable, and whether situated in Jamaica or elsewhere, and includes obligations, easements and every description of estate, interest and profit, present or future, vested or contingent, in, arising out of or incidental to property;

“proposal” means a proposal for a composition, an extension of time or a scheme or arrangement;

“public utility” includes a person who—

- (a) provides telecommunication services;
- (b) provides public passenger transportation by road, rail or ferry;
- (c) provides—
 - (i) water; or
 - (ii) sewerage services;
- (d) generates, transmits, distributes and supplies electricity;
- (e) provides such services similar to those specified in any of the paragraphs (a) to (d), as may be prescribed under any other law; or
- (f) provides such other function or activity as may, for the purposes of this definition, be prescribed by the Minister by order published in the *Gazette* as a public utility service;

“receiver” means a trustee who, pursuant to a security agreement or an order of a court made under any law that provides for or authorizes the appointment of a receiver or receiver-manager, has been appointed to take, or has taken, possession or control, of all or substantially all of the inventory, the accounts receivable or the other property of a debtor that was acquired for, or is used in relation to, a business carried on by the debtor;

“receiving order” means an order of a court made under Part III of this Act, that provides for or authorizes the appointment of a receiver or a receiver-manager;

“Registrar” means the Registrar of the Supreme Court;

“secured creditor” means a person—

- (a) holding a mortgage, pledge, charge or lien on or against the property of the debtor or any part thereof, as security for a debt due or accruing due to him from the debtor; or
- (b) whose claim is based on, or secured by, a negotiable instrument held as collateral security and on which the debtor is only indirectly or secondarily liable;

“security agreement” means an agreement, written or unwritten, under which property, becomes subject to a security for the payment of an obligation;

“settlement” includes a contract, covenant, conveyance, transfer, gift and designation of beneficiary in an insurance contract, to the extent that the contract, covenant, conveyance, transfer, gift, or designation is gratuitous or made for merely nominal consideration;

“special resolution” means a resolution passed by a majority in number and two-thirds in value of the creditors with proven claims present, personally or by proxy, at a meeting of creditors and voting on the resolution;

“spouse” means a man and woman who are married in law and includes—

- (a) a single woman who has cohabited with a single man, as if she were in law his wife for a period of not less than five years;
- (b) a single man who has cohabited with a single woman as if he were in law her husband for a period of not less than five years, immediately preceding the institution of proceedings under this Act or the termination of cohabitation, as the case may be;

“Supervisor” means the Supervisor of Insolvency designated under section 220;

“trustee” means a person who is licensed and appointed, as such under this Act.

(2) For the purposes of this Act—

“related group” means a group of persons each member of which is related to every other member of the group;

“unrelated group” means a group of persons that is not a related group.

(3) For the purposes of this Act, “related persons” are persons who are related to each other if they are—

- (a) as respects any person, individuals connected through a spouse, by blood relationship or adoption;
- (b) as respects a corporation —
 - (i) a person who controls the corporation, if it is controlled by one person;
 - (ii) a person who is a member of a related group that controls the corporation; or
 - (iii) any person connected in the manner set out in paragraph (a) to a person described in subparagraph (i) or (ii); or
- (c) two corporations—
 - (i) both of which are controlled by the same person or group of persons;
 - (ii) both of which are controlled by one person and the person who controls one of the corporations is related to the person who controls the other corporation;
 - (iii) one of which is controlled by one person and that person is related to any member of a related group that controls the other corporation;
 - (iv) one of which is controlled by one person and that person is related to each member of an unrelated group that controls the other corporation;

- (v) one of which is controlled by a related group a member of which is related to each member of an unrelated group that controls the other corporation; or
 - (vi) one of which is controlled by an unrelated group each member of which is related to at least one member of an unrelated group that controls the other corporation.
- (4) For the purposes of this Act—
- (a) where a related group is in a position to control a corporation, it shall be deemed to be a related group that controls the corporation, whether or not it is part of a larger group by whom the corporation is in fact controlled;
 - (b) a person who has a right under a contract, in equity or otherwise, either immediately or in the future and either absolutely or contingently, to, or to acquire, shares in a corporation, or to control the voting rights in shares of a corporation, shall, except where the contract provides that the right is not exercisable until the death of an individual designated therein, be deemed to have the same position in relation to the control of the corporation as if he owned the shares;
 - (c) where a person owns shares in two or more corporations, he shall, as a shareholder of one of the corporations, be deemed to be related to himself as shareholder of each of the other corporations;
 - (d) persons are connected by—
 - (i) blood relationship if one is the child, mother, father, brother, sister, aunt, uncle or cousin of the other;
 - (ii) marriage if one is married to the other or to a person who is connected by blood relationship to the other;
 - (iii) cohabitation if one is a spouse of the other; and
 - (iv) adoption if one has been adopted, either legally or in fact, as the child of the other or as the child

of a person who is connected by blood relationship, otherwise than as a brother or sister, to the other.

(5) A person who has entered into a transaction with another person, otherwise than at arm's length, shall be deemed to have entered into a reviewable transaction.

(6) It is a question of fact whether persons not related to one another within the meaning of subsection (3), were at a particular time dealing with each other at arm's length.

(7) Persons related to each other within the meaning of subsection (3), shall be deemed not to deal with each other at arm's length while so related.

PART II. *Acts of Bankruptcy*

Acts of
bankruptcy.

Form 1.
First
Schedule.

- 3.—(1) A debtor commits an act of bankruptcy where the debtor—
- (a) whether or not the debtor resides in Jamaica, makes an assignment in the form set out as Form 1 in the First Schedule of his property to a trustee for the benefit of his creditors generally, whether it is an assignment authorized by this Act or any other enactment;
 - (b) make any disposition of property, or incurs any obligation or takes or is subject to any judicial proceedings in favour of any creditor or of any person in trust for any creditor, which falls to be treated as a fraudulent preference under section 117;
 - (c) makes any conveyance, gift, delivery or transfer of his property as a fraudulent preference, in Jamaica or outside of Jamaica;
 - (d) departs from Jamaica, or being outside of Jamaica remains outside of Jamaica, or departs from his dwelling-house or otherwise absents himself, with the intent to defeat or delay his creditors;
 - (e) permits any execution or other process issued against the debtor, under which any of the debtor's property is seized, levied on or taken in execution, to remain unsatisfied for

twenty-one days, or if any of the debtor's property has been sold by the bailiff, or if the execution or other process is returned endorsed to the effect that the bailiff can find no property on which to levy or to seize or to take;

- (f) exhibits at any meeting of his creditors any statement of his assets and liabilities that shows he is insolvent, or presents or causes to be presented to that meeting a written admission of his inability to pay his debts;
- (g) with intent to defraud, defeat or delay his creditors—
 - (i) assigns;
 - (ii) removes;
 - (iii) secretes or disposes of; or
 - (iv) attempts to do any of the above;
- (h) gives notice in writing to any of his creditors that he has suspended or is about to suspend payment of his debts;
- (i) defaults in any proposal made under this Act; or
- (j) ceases to meet his liabilities generally, as they become due.

(2) Notwithstanding subsection (1) (e), where interpleader proceedings have been instituted in respect of the property seized, the time elapsing between the date at which the proceedings were instituted and the date at which the proceedings are finally disposed of, settled or abandoned, shall not be taken into account in calculating the period of twenty-one days.

(3) Every assignment of property, between instituting the proceeding and its disposition other than an assignment pursuant to this Act made by an insolvent person for the general benefit of his creditors, is void.

PART III. *Receiving Orders, Interim Receivers, Receivers and Creditors*

4.—(1) One or more creditors may file in Court, a petition for a receiving order against a debtor.

Filing
petition of a
receiving
order, etc.

(2) The petition filed under subsection (1) shall state—

- (a) the debt owing to the petitioning creditor, which shall amount to not less than the prescribed threshold;
- (b) that the debtor has committed an act of bankruptcy within six months immediately preceding the filing of the petition of a receiving order; and
- (c) in the case of a secured creditor, that the creditor—
 - (i) is willing to give up his security for the benefit of the creditors, in the event of a receiving order being made against the debtor; or
 - (ii) give an estimate of the value of his security.

(3) Where the creditor referred to in subsection (1), gives an estimate of the value of his security he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him after deducting the value so estimated, in the same manner as if he were an unsecured creditor.

(4) Any creditor whose claim against a partnership is sufficient to entitle him to present a bankruptcy petition, may present a petition, against any one or more partners of the firm.

(5) The petition filed under this section, shall be verified by affidavit of the petitioner or by someone duly authorized on his behalf having personal knowledge of the facts alleged in the petition so filed.

(6) Where the petition is attested to—

- (a) in Jamaica, the witness shall be an attorney-at-law or a Justice of the Peace;
- (b) outside of Jamaica, the witness shall be a Consul or Consular Officer or Notary Public.

(7) When the petitioning creditor cannot himself verify all the statements contained in his petition, he shall file in support of the petition an affidavit of some person who can depose to the statements contained therein.

(8) Where a petition is to be served against a debtor who resides or carries on business at an address other than the address at which the debtor was residing or carrying on business at the time of contracting the debt or liability in respect of which the petition is presented, the petitioning creditor, in addition to stating in the petition the description of the debtor and of his then present address and description, shall in the petition describe the debtor as—

- (a) lately residing or carrying on business at the address at which he was residing; or
- (b) carrying on business when the debt or liability was incurred.

(9) A creditor who has filed a petition under subsection (1)—

- (a) who is resident abroad;
- (b) whose estate is vested in a trustee or an assignee under any law relating to bankruptcy;
- (c) against whom a petition is pending under this Act; or
- (d) who has made default in payment of any costs ordered by any court to be paid by him to the debtor,

may be ordered to give security for costs to the debtor.

(10) A person referred to in subsection (1) may present a bankruptcy petition against himself stating the grounds on which the petition is made.

5.—(1) Where two or more petitions are filed against the same debtor or against joint debtors, the Court may consolidate the proceedings or any of them on such terms as the Court thinks fit.

Court
proceedings
of petition
for receiving
order.

(2) Where a receiving order has been made against one member of a partnership and any other petition against a member of the same partnership is filed, the Court may give such directions for consolidating the proceedings under the petitions as it thinks just.

(3) The Court shall require proof of the facts alleged in the petition and of the service of the petition, and, if satisfied with such proof, may make a receiving order.

(4) The Court shall dismiss the petition filed under section 4 where the Court—

- (a) is not satisfied with the proof of the facts alleged in the petition or of the service of the petition, referred to in section 4(8);
- (b) is satisfied by the evidence of the debtor, that he is able to pay his debts; or
- (c) for other sufficient cause no order ought to be made.

(5) Where there are more than one respondent to a petition, the Court may dismiss the petition with respect to one or more of them, without prejudice to the effect of the petition, as against the other.

6. The Court shall on a receiving order being made, appoint a trustee of the property of the bankrupt, having regard, as far as the Court deems just, to the wishes of the creditors.

Trustee
appointed
where
receiving
order made.
Stay of
proceedings
by the Court.

7.—(1) Where the debtor denies the truth of the facts alleged in the petition, the Court may, instead of dismissing the petition stay all proceedings on the petition—

- (a) on such terms as it may see fit to impose on the petitioner as to costs, or on the debtor to prevent alienation of his property; and
- (b) for such time as may be required for trial of the issue relating to the disputed facts.

(2) The Court may, on such terms and subject to such conditions as the Court may think just, make an order staying the proceedings—

- (a) altogether; or
- (b) for a specified time.

(3) A petitioner who is resident outside of Jamaica may be ordered to give security for costs to the debtor, and the Court shall stay the proceedings until such security is furnished.

8. Where proceedings on a petition have been stayed or have not been prosecuted with due diligence and effect, the Court may—

- (a) on order for the substitution or addition as petitioner any other creditor who meets the prescribed threshold to whom the debtor may be indebted;
- (b) make a receiving order on the petition of the other creditor; or
- (c) dismiss the petition on such terms as it deems just.

Orders by Court where proceedings have been stayed or not prosecuted with due diligence.

9.—(1) Where proceedings on a petition have been stayed for trial on the question of the validity of the creditor's debt and the question has been decided in favour of the validity of the debt, the creditor who filed the petition may apply to the Registrar to fix a date on which further proceedings on the petition may be had.

Where proceedings on petition have been stayed for trial and question decided in favour of validity of debt.

(2) The Registrar, on production of the judgment or certified copy of the judgment received under subsection (1), shall give written notice to the—

- (a) petitioner, by post or otherwise of the time and place fixed for the hearing of the petition;
- (b) debtor, at the address given in the notice to dispute; and
- (c) attorneys-at-law for the creditor and debtor.

10. A petition filed under section 4 shall not be withdrawn without the leave of the Court.

Withdrawing petition.

11. Where a debtor against whom a petition has been filed dies, the proceedings shall, unless the Court otherwise orders, be continued as if the debtor was alive.

Debtor against whom petition filed dies.

12.—(1) A petition for a receiving order may be filed against the estate of a deceased debtor.

Petition for receiving order against estate of deceased.

(2) Where a petition for a receiving order has been served on the legal personal representative of a deceased debtor, the legal personal representative shall not make payment of any monies or transfer

any property of the deceased debtor, until the petition is disposed of except as required for payment of funeral and testamentary expenses.

(3) The legal personal representative shall be personally liable to any penalties to which he may be subject.

(4) Nothing in this section shall invalidate—

- (a) any payment made or transfer of property done; or
- (b) any act or thing done in good faith, by the legal personal representative, before the service of a petition referred to in subsection (2).

Costs of
petitioner in
petition
against estate
of deceased.

13.—(1) Where the Court grants a receiving order, the costs of the petitioner shall be taxed and be payable out of the estate, unless the Court otherwise orders.

(2) Where the proceeds of the estate are not sufficient for the payment of any costs incurred by the trustee, the Court may order the remaining costs to be paid by the petitioner.

Appointment
of interim
receiver for
the
protection of
the estate of
a debtor
when
receiving
order filed.

14.—(1) If it is shown to be necessary for the protection of the estate of a debtor the Court may at any time after the filing of a petition for a receiving order and before a receiving order is made—

- (a) appoint a trustee as interim receiver of the property of the debtor or any part of that property; and
- (b) direct the trustee to take immediate possession of the property on such undertaking being given by the petitioner as the Court may impose, with respect to interference with the debtor's legal rights and with respect to damages in the event of the petition being dismissed.

(2) Subject to subsection (3), the interim receiver appointed under subsection (1) may, under the direction of the Court, take conservatory measures and summarily dispose of property that is perishable or likely to depreciate rapidly in value and exercise such control over the business of the debtor as the Court deems advisable.

(3) The interim receiver shall not unduly interfere with the debtor in the carrying out of his business except, as may be necessary for conservatory purposes or to comply with the order of the Court.

15.—(1) Where the Court is satisfied that a notice of an intention to enforce a security in the form set out as Form 2 in the First Schedule is about to be sent or has been sent, the Court may, subject to subsection (3), appoint a trustee as interim receiver of all or any part of the debtor's property, that is subject to the security to which the notice relates, for such term as the Court may determine.

Appointment of interim receiver where notice of intention to enforce a security pending. Form 2. First Schedule.

(2) The Court may direct the interim receiver appointed under subsection (1), to do any or all of the following—

- (a) take possession of all or part of the debtor's property mentioned in the appointment under subsection (1);
- (b) exercise such control over that property, and over the debtor's business, as the Court may determine advisable; and
- (c) take such other action as the Court may determine.

(3) The Court shall appoint an interim receiver under subsection (1), only if it is shown to the Court to be necessary for the protection of—

- (a) the debtor's estate; or
- (b) the interests of the creditor who sent the notice of intention to enforce security.

16.—(1) Where a notice of intention to make a proposal has been filed, or a proposal has been filed the Court may, at any time thereafter, subject to subsection (3), appoint as interim receiver of all or part of the debtor's property, for such term as the Court may determine—

Appointment of interim receiver where notice of intention or proposal filed.

- (a) a trustee under the notice of intention or proposal;
- (b) another trustee; or
- (c) the trustee under the notice of intention or proposal and another trustee jointly.

(2) The Court may direct an interim receiver as appointed under subsection (1) to—

- (a) carry out the duties set out in section 52(1), in substitution for the trustee referred to in that subsection or jointly with that trustee;
- (b) take possession of all or part of the debtor's property mentioned in the order of the Court;
- (c) exercise such control over that property, and over the debtor's business, as the Court considers advisable; and
- (d) take such other action as the Court may determine.

(3) An appointment of an interim receiver may be made under subsection (1), only if it is demonstrated to the Court to be necessary for the protection of—

- (a) the debtor's estate; or
- (b) the interests of a creditor.

Costs of
interim
receiver.

17.—(1) Where an appointment of an interim receiver is made under section 14 or 15, the Court may make such order respecting the payment of fees and disbursements of the interim receiver as it considers proper, including an order giving the interim receiver a charge, ranking ahead of any or all secured creditors and, over any of the assets of the debtor in respect of his claim for fees or disbursements.

(2) The Court shall not make an order under subsection (1), unless it is satisfied that all secured creditors who are materially affected by the order are given reasonable notice and opportunity to make representations to the Court.

(3) Where an interim receiver is appointed under this Part—

- (a) the form and content of the interim receiver accounts; and
- (b) the procedure for the preparation and taxation of those accounts referred to in paragraph (a),

shall be as prescribed.

(4) For the purposes of this section, “disbursements” shall not include payments made in operating a business of the debtor.

18.—(1) Only a person who is a trustee under this Act, may be appointed a receiver under a security agreement.

Trustee may be appointed receiver under security agreement.

(2) The receiver shall notify the debtor of the appointment of a receiver.

19.—(1) A secured creditor who intends to enforce a security on all or substantially all of—

Secured creditor to provide notice.

- (a) the inventory;
- (b) the accounts receivable; or
- (c) the other property,

of a debtor that was acquired for, or is used in relation to, a business carried on by the debtor, shall send to that debtor, in the manner and form set out as Form 2 in the First Schedule, a notice of that intention to enforce security.

Form 2.
First
Schedule.

(2) Where a notice is sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice was sent until the expiry of ten days after sending that notice, unless the debtor consents to an earlier enforcement of the security.

(3) For the purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).

(4) This section shall not apply—

- (a) in respect of a secured creditor—
 - (i) whose right to realize or otherwise deal with his security is protected by section 87 (3) or (4); or
 - (ii) in respect of whom a stay under section 87 has been lifted pursuant to section 89;
- (b) where there is a receiver in respect of the debtor.

Appointment
of receiver.

20.—(1) A receiver shall when appointed by—

- (a) instrument, act in accordance with the conditions imposed under that instrument of appointment and any directions by the Court;
- (b) a Court order, act in accordance with the directions of the Court.

(2) A receiver—

- (a) shall not later than ten days after becoming a receiver, send a notice of that fact, in the manner and form set out as Form 3 in the First Schedule—
 - (i) to the Supervisor, accompanied by the prescribed fee;
 - (ii) where the debtor is bankrupt, to the trustee; and
 - (iii) where the debtor is not bankrupt, to the debtor, and to all creditors of the debtor that the receiver, after making reasonable efforts, has ascertained;
- (b) shall send notice of his becoming a receiver, to any creditor whose name and address the receiver ascertains after sending the notice referred to in sub-paragraph (iii) of paragraph (a);
- (c) shall forthwith after taking possession or control, whichever occurs first, of property of a debtor —
 - (i) prepare a statement containing prescribed information relating to the receivership; and
 - (ii) forthwith provide a copy of the statement to the Supervisor, the debtor, the trustee, in the case of a bankrupt, and to any creditor of the debtor who requests a copy at any time up to six months after the end of the receivership;
- (d) shall prepare interim reports relating to the receivership, and shall provide copies of those reports to the Supervisor, the debtor, the trustee, in the case of a bankrupt, and to any

Form 3.
First
Schedule.

creditor of the debtor who requests a copy at any time up to six months after the end of the receivership;

- (e) shall prepare, forthwith after the completion of his duties as receiver, a final report and a statement of accounts, containing the prescribed information relating to the receivership, and forthwith provide a copy of that report and statement of accounts to the Supervisor, the debtor, the trustee, in the case of a bankrupt, and to any creditor of the debtor or the bankrupt who requests a copy at any time up to six months after the end of the receivership; and
- (f) may—
 - (i) subject to the rights of secured creditors, receive the income from the property, pay the liability connected with the property, and realize the security interest of those on behalf of whom he is appointed; and
 - (ii) not, unless appointed a receiver-manager or unless the Court orders otherwise, carry on the business of the debtor for more than fourteen days after his appointment.

21. A receiver shall—

- (a) not later than fourteen days after being appointed receiver, publish a notice of his appointment in the form set out as Form 3 in the First Schedule in one issue of a local daily newspaper in circulation throughout Jamaica;
- (b) take into his custody or control the collateral in accordance with the security agreement or order providing for his appointment;
- (c) deal with any property of the debtor in his possession or control in a commercially reasonable manner;
- (d) open and maintain a bank account in his name as receiver for the deposit of all monies coming under his control as receiver;

Duties of receiver.

Form 3.
First
Schedule.

- (e) keep records, in accordance with accepted accounting practices, of all receipts, expenditures and transactions involving collateral or other property of the debtor;
- (f) prepare monthly summaries of accounts of his administration of the collateral and other property of the debtor;
- (g) indicate on every business letter, invoice, contract, or similar document used or executed in connection with the receivership, that he is acting as a receiver;
- (h) shall act honestly and in good faith; and
- (i) shall deal with the property of the debtor in a commercially reasonable manner.

Debtor to provide names and addresses of creditors. Form 4. First Schedule.

22.—(1) A receiver appointed under section 20, shall send a notice in the form set out as Form 4 in the First Schedule to the debtor requesting the information referred to in subsection (2).

(2) A debtor shall, forthwith after being notified that there is a receiver in respect of any of his property, provide the receiver with the names and addresses of all creditors.

Receiver to provide notice of disposition.

23.—(1) A receiver shall, not less than fourteen days before the disposition of the collateral in whole or in part, give notice in writing—

- (a) to the debtor;
- (b) to any person with a charge registered against the collateral;
- (c) to any person who, as a creditor of the debtor, has given notice to the receiver of its interest in the collateral; and
- (d) if the debtor is a corporation, to a director of the debtor.

(2) The notice under subsection (1), is not required if—

- (a) the collateral is money, perishable or on reasonable grounds is expected to decline significantly in value;
- (b) the collateral is to be disposed of by sale on an organized market that handles large volumes of transactions between many different sellers and many different buyers; or

- (c) the cost and care of storing the collateral is disproportionately large to the collateral's expected value.

24. A receiver—

- (a) is liable personally on any contract entered into by him in the performance of his functions, except to the extent that the contract otherwise provides; and
- (b) is entitled in respect of the liability under paragraph (a) to an indemnity out of the assets of which he was appointed to be receiver.

Personal liability of receiver.

25. Where the Court, on the application of the Supervisor, the debtor, the trustee (in the case of a bankrupt), a receiver or a creditor, is satisfied that the secured creditor, the receiver or the debtor (as the case may be) is failing or has failed to carry out any duty imposed under this Part, the Court may make an order, on such terms as it considers proper—

Court order in respect of non-performance of duties by Supervisor, debtor, receiver, etc.

- (a) directing the secured creditor, receiver or debtor, as the case may be, to carry out that duty; or
- (b) restraining the secured creditor or receiver, as the case may be, from realizing or otherwise dealing with the property of the debtor, until that duty has been carried out, or both.

26.—(1) The Court may, on the application by the Supervisor, the debtor, the trustee (in the case of a bankrupt), or a creditor, made within six months after the statement of accounts is provided to the Supervisor pursuant to section 20, order the receiver to submit to the Court the statement of accounts for review.

Court may order statement of accounts to be submitted for review.

(2) The court may adjust in the manner and the extent as it considers proper, the fees and charges of the receiver, as set out in the statement of accounts.

27.—(1) A receiver may apply to the Court for directions in relation to any provision of this Part.

Receiver may apply to Court for directions.

(2) The Court shall in relation to an application for directions under subsection (1) give such directions, it considers proper in the circumstances including—

- (a) an order appointing, replacing or discharging a receiver or receiver-manager and approving his accounts;

- (b) an order determining the notice to be given to any person, or dispensing with notice to any person;
- (c) an order declaring the rights of persons before the court or otherwise, or directing any person to do, or abstain from doing, anything in relation to the receivership;
- (d) an order fixing the remuneration of the receiver or receiver-manager;
- (e) an order requiring the receiver or receiver-manager, or a person by or on behalf of whom he is appointed—
 - (i) to make good any default in connection with the receiver's or receiver-manager's custody or management of the property and business of the company;
 - (ii) to relieve any such person from any default on such terms as the court thinks fit; and
 - (iii) to confirm any act of the receiver or receiver-manager; and
- (f) an order giving directions on any matter relating to the duties of the receiver or receiver-manager.

Certain provisions of Companies Act to apply where debtor is a company.

28. Where the debtor is a corporation—

- (a) the provisions of Parts V, VI and IX of the Companies Act shall apply in the absence of provisions relating thereto in this Act; and
- (b) where the provisions of this Act are inconsistent with the provisions of Parts V, VI and IX of the Companies Act, the provision of this Act shall apply.

Priorities of distribution in a receivership.

29. Except where the debtor is bankrupt or the Court has ratified a proposal made to creditors under this Act, the priorities, in receivership, of distribution of the property of a debtor shall be as established by section 311 of the Companies Act.

PART IV. *Assignments*

30.—(1) An insolvent person or if the insolvent person is deceased, the insolvent's legal personal representative may, apply to the Supervisor for the assignment of all the insolvent person's property for the general benefit of his creditors in the form set out as Form 1 in the First Schedule.

Procedure
for making
assignment.

Form 1.
First
Schedule.

(2) An insolvent corporation may, pursuant to a duly passed resolution of the corporation, make such an assignment without the need for leave of the Court.

(3) An application for assignment made under subsection (1) shall be accompanied by a sworn statement providing information as to—

- (a) the property of the insolvent person's divisible among his creditors;
- (b) the names and addresses of all the insolvent person's creditors;
- (c) the amounts of each claim; and
- (d) the nature of each claim, whether secured pursuant to a fixed or floating charge, preferred or unsecured.

(4) An assignment made under subsection (1) shall be offered to the Supervisor.

(5) The Supervisor shall refuse an application for assignment unless, it is made in accordance with this section.

(6) Where the Supervisor approves the application, the Supervisor shall appoint a trustee whom the Supervisor shall, as far as possible, select by reference to the wishes of the majority of most interested creditors, if ascertainable at the time.

(7) The Supervisor shall complete the assignment by inserting the name of the trustee as grantee in the assignment.

(8) Where the Supervisor is unable to find a trustee who is willing to act, the Supervisor shall, after giving the insolvent person five days' notice in writing, direct the Government Trustee to act.

(9) Where the insolvent person is not a corporation and in the opinion of the Supervisor the realizable assets of the insolvent person after the claims of secured creditors are deducted, does not exceed the prescribed threshold, the summary administration of estates shall apply in accordance with sections 190 and 192.

(10) In the determination of the realizable assets of an insolvent person for the purposes of subsection (9), no regard shall be had to any property that may be acquired by the insolvent person or devolve on the insolvent person after the insolvent person's discharge.

(11) The Supervisor may direct that subsection (9) shall cease to apply in respect of the insolvent person, where the Supervisor determines that—

- (a) the realizable assets of the insolvent person, after the claims of secured creditors are deducted, exceed the prescribed threshold; or
- (b) the costs of realization of the assets of the insolvent person are a significant proportion of the realizable value of the assets, and the Supervisor considers that such a direction is appropriate.

Effect of approval of assignment.

31.—(1) Where the Supervisor approves an assignment, the property of the insolvent person vests in the trustee.

(2) Subject to subsection (1), the trustee shall liquidate and distribute the proceeds to creditors and the provisions of Part VI in relation thereto shall apply.

PART V. *Proposals*

Interpretation of Part V.

32.—(1) For the purposes of this Part, unless the context otherwise requires—

- (a) an unsecured creditor shall be deemed to include a secured creditor in the circumstances described in subsection (2); and
- (b) an unsecured claim shall be deemed to include that secured creditor's claim;

- (c) a debtor shall be treated in a similar manner as an insolvent person.

(2) Subsection (1) refers to where a secured creditor files a claim in relation to that creditor's debt and some or all of that claim is being treated as unsecured, whether because the creditor has elected to take the asset and claim as an unsecured creditor for the excess of the creditor's debt over the value of the asset or the creditor has elected to claim in relation to the whole of the creditor's debt.

33.—(1) The following persons may make a proposal in accordance with this Part—

Who can make a proposal.

- (a) an insolvent person;
- (b) a receiver, but only in relation to an insolvent person;
- (c) a liquidator of an insolvent person's property;
- (d) a bankrupt;
- (e) a trustee of the estate of a bankrupt; or
- (f) a debtor who without intervention is likely to become insolvent.

(2) Before lodging a copy of a proposal with the trustee, an insolvent person may file a notice of intention, with the Supervisor stating—

- (a) the insolvent person's intention to make a proposal;
- (b) a copy of the consent showing the name and address of the trustee who has consented in writing, to act as the trustee under the proposal; and
- (c) the names of the creditors with provable claims and the amounts of those claims as shown by the debtor's books.

(3) The proposal and notice of intention shall be lodged in the prescribed form.

34. Within five days after the filing of a notice of intention under section 33, the trustee named in the notice, shall send to every known creditor, in the prescribed manner, a copy of the notice of intention so filed.

Trustee shall send to creditors a copy of intention filed.

Insolvent person shall file cash-flow statement, report, etc. for notice of intention.

35.—(1) Within ten days after filing a notice of intention under section 33, the insolvent person shall file with the Supervisor—

- (a) the cash-flow statement that has been—
 - (i) prepared by the insolvent person;
 - (ii) reviewed for its reasonableness by the trustee under the notice of intention; and
 - (iii) signed by the trustee and the insolvent person;
- (b) a report on the reasonableness of the cash-flow statement, in the form set out as Form 5 in the First Schedule, prepared and signed by the trustee; and
- (c) a report containing prescribed representations by the insolvent person regarding the preparation of the cash-flow statement, in the form set out as Form 6 in the First Schedule, prepared and signed by the insolvent person.

Form 5.
First
Schedule.

Form 6.

(2) A creditor may request from the trustee a copy of the cash-flow statement filed under subsection (1).

Assignment deemed to be made where cashflow statement not filed within prescribed time.

36.—(1) Where—

- (a) the insolvent person fails to file a cash-flow statement under section 35 within thirty days after the day the notice of intention was filed or within any extension of that period granted under subsection (4), that person shall be deemed to have made an assignment under section 30, on the expiration of that period;
- (b) there is a failure to file a proposal with the Supervisor under section 33(1), within a period of thirty days after the notice of intention was filed under section 33, or within any extension of that period granted under subsection (4).

(2) Subject to subsection (1) (b) the trustee—

- (a) named in the notice of intention, shall forthwith file a report thereof in the form set out as Form 7 in the First Schedule with the receiver, who shall issue a certificate of assignment

Form 7.

in the form set out as Form 1 in the First Schedule, and such assignment shall have effect as if it was filed under Part IV;

Form 1.
First
Schedule.
Part IV.

- (b) within five days after the day the certificate of assignment is issued under paragraph (a), shall send notice of the meeting of creditors under Part VII, to affirm the appointment of the trustee named in the notice of intention or appoint another trustee in lieu of that trustee, so named.

Part VII.

(3) The creditors may by ordinary resolution affirm the appointment of the trustee named in the notice of intention or appoint another trustee in lieu of that trustee so named.

(4) The insolvent person may, before the expiration of the thirty-day period referred to in subsection (1), or any extension thereof granted under this section, apply to the Court for further extension of that period.

(5) An extension granted under subsection (2), shall not exceed forty-five days for any individual extension and not exceeding in the aggregate five months after the expiration of the thirty-day period mentioned in subsection (2), if satisfied on each application that—

- (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
- (b) the insolvent person would likely be able to make a viable proposal, if the extension being applied for were granted; and
- (c) no creditor would be materially prejudiced if the extension being applied for were granted.

37.—(1) The Court may, on application by a person appointed under section 15(1), or a creditor, declare terminated, before its expiration date, the thirty-day period referred to in section 36, if the Court is satisfied that—

Court may
on
application
declare
termination
before
expiration
period of a
notice of
intention.

- (a) the insolvent person has not acted, or is not acting in good faith and with due diligence;
- (b) the insolvent person will not likely be able to make a viable proposal before the expiration of the period in question;

- (c) the insolvent person will not likely be able to make a proposal, before the expiration of the period in question, that will be accepted by the creditors, or rejected.

(2) Where the Court declares the period in question terminated, such termination shall apply with no reference to any other period of extension.

Trustee to assist in preparation of proposal. **38.** The trustee named under a notice of intention shall, advise on and participate in the preparation of the proposal, and any negotiations in relation thereto.

Circumstances where proposal may be made. **39.** A proposal may be made where a person under section 33(1) seeks to make a proposal for a composition, extension of time or scheme of arrangement with creditors either—

- (a) as a group or separated into classes; or
- (b) with secured creditors.

Insolvent person, bankrupt receiver, liquidator or trustee may make proposal. **40.—(1)** The proceedings for a proposal shall be commenced—

- (a) in the case of an insolvent person, by lodging with a trustee; and
- (b) in the case of a bankrupt, by lodging with the trustee of the estate,

a copy of the proposal in writing setting out the terms of the proposal and the particulars of any securities or sureties proposed, signed by the person making the proposal and the proposed sureties, if any, and—

- (i) if the person in respect of whom the proposal is made is bankrupt, the statement of affairs referred to in section 194; or
- (ii) if the person in respect of whom the proposal is made is not bankrupt, a statement showing the financial position of the person at the date of the proposal, verified by affidavit as being correct to the belief and knowledge of the person making the proposal.

(2) A proposal made under section 33 (1) (b) in respect of a bankrupt, shall be approved by the inspectors before any further action is taken on the proposal.

(3) A security or guarantee tendered with the proposal made under section 33(1), may not be withdrawn before any decision is made by the creditors and the Court.

(4) Subsection (2) shall not be construed as preventing an insolvent person in respect of whom a proposal is made from subsequently making an assignment under section 30.

41.—(1) A proposal under this Part may be made to—

- (a) the creditors either—
 - (i) as a group; or
 - (ii) separated into classes as provided in the proposal; or
- (b) secured creditors in respect of any class of secured claim.

A proposal shall be made to creditors.

(2) Where a proposal is made to one or more secured creditors in respect of secured claims of a particular class, that proposal shall be made to all secured creditors in respect of the secured claims of that class.

(3) Where a proposal is made to a secured creditor in respect of a secured claim the secured claim may be included in the same class where the interests of the creditors holding those claims are sufficiently similar to give them a commonality of interest, taking into account—

- (a) the nature of the debts giving rise to the claims;
- (b) the nature and priority of the security in respect of the claims;
- (c) the remedies available to the creditors in the absence of the proposal, and the extent to which the creditors would recover their claims by exercising those remedies;
- (d) the treatment of the claims under the proposal, and the extent to which the claims would be paid under the proposal; and

- (e) such other criteria, consistent with those set out in paragraphs (a) to (d), as may be prescribed by the Minister.

Filing of
proof of
claims.
Form 8.
First
Schedule.

42.—(1) A trustee shall by notice in the form set out as Form 8 in the First Schedule require the creditors to file proof of claim.

(2) Subject to section 47, a creditor may respond to the proposal made under section 33(1) to the creditors by filing with the trustee a proof of claim, in accordance with the procedure set out—

- (a) in the case of unsecured creditors, under sections 161 to 163; or
- (b) in the case of secured creditors, under sections 161 to 163.

Proposal
may include
terms of
supervision.

43. At a meeting to consider a proposal, the creditors, with the consent of the debtor, may include such provisions or terms in the proposal with respect to the supervision of the affairs of the debtor as they may deem advisable.

Trustee or
nominee to
chair
creditors'
meeting.

44. The trustee and in his absence his nominee, shall be the chairman of the meeting and shall decide any questions or disputes arising at the meeting.

Trustee shall
call meeting
of creditors.

45.—(1) The trustee shall convene a meeting of creditors as prescribed in Part VII, in the manner provided under subsection (2), no later than twenty-one days after the filing of the proposal under section 40.

(2) The trustee shall convene the meeting referred to under subsection (1) by sending to every known creditor and to the trustee, at least ten days before the meeting—

- (a) a notice of the date, time and place of the meeting;
- (b) a statement summarizing the assets and liabilities in the form set out as Form 9 in the First Schedule;
- (c) a list of the creditors with claims no less than after the prescribed threshold and the amounts of their claims as known or shown by the books of the debtor;
- (d) a copy of the proposal filed under section 40;

Form 9.
First
Schedule.

(e) the following forms—

- (i) proof of claim in the form set out as Form 10 in the First Schedule; Form 10.
First
Schedule.
- (ii) in the case of a secured creditor to whom the proposal was made, proof of the secured claim in the form set out as Form 11 in the First Schedule; and Form 11.
- (iii) proxy in the form set out as Form 12 in the First Schedule, if not already sent. Form 12.

46. The creditors may affirm by ordinary resolution at the meeting at which a proposal is being considered, to adjourn to such time and place as may be fixed by the chairman. Adjournment
of meeting.

47. The Court may, on application made by any person referred to under section 42, at any time after a notice of intention or a proposal is filed, determine— Court may
on
application
determine
classes of
secured
claims.

- (a) the classes of secured claims appropriate to a proposal; and
- (b) the class into which any particular secured claim falls.

48. Any question relating to a proposal filed under section 40, except the question of whether to accept or refuse the proposal, shall be decided by ordinary resolution of the creditors to whom the proposal was made. Questions
relating to
proposal to
be decided by
ordinary
resolution.

49. A trustee who has filed a proposal under section 40, shall make or cause to be made an appraisal and carry out an investigation of the affairs and property of the insolvent person as to enable the trustee to estimate with reasonable accuracy the financial situation of the insolvent person and the cause of the insolvent person's financial difficulties or insolvency, and shall report the result of such appraisal and investigation to the meeting of the creditors. Trustee shall
make or
cause to be
made an
appraisal and
investigation.

50. —(1) The trustee shall, when filing the proposal or notice of intention to file a proposal submit along with the proposal being filed— Trustee to
file cash-flow
statement.

- (a) a statement indicating the projected cash-flow in respect of which the proposal is filed for the expected duration of the

proposal, in this section referred to as the “cash-flow statement”—

- (i) prepared by the person making the proposal;
 - (ii) reviewed for its reasonableness by the trustee; and
 - (iii) signed by the trustee and the person making the proposal;
- (b) a report on the reasonableness of the cash-flow statement, in the form set out as Form 5 in the First Schedule, prepared and signed by the trustee; and
- (c) a report—
- (i) in the form set out as Form 6 in the First Schedule containing prescribed representations by the person making the proposal regarding the preparation of the cash-flow statement; and
 - (ii) signed by the person making the proposal.

Form 5.
First
Schedule.

Form 6.

(2) The trustee shall not be liable for any loss or damage to any person resulting from that person’s reliance on the cash-flow statement filed under this section.

51.—(1) Subject to subsection (2), any creditor may obtain a copy of the cash-flow statement on request made in writing to the trustee.

(2) Where the trustee fails to provide the cash-flow statement required, the creditor may apply to the Court for an order for release of a cash-flow statement or any part of that statement.

(3) The Court may allow an order for the cash-flow statement or any part of that statement where—

- (a) the release of the cash-flow statement would unduly prejudice the person who made the proposal under section 40; and
- (b) releasing the cash-flow statement would not unduly prejudice the creditors in general.

(4) Where the Court orders that a cash-flow statement or parts thereof may be released, the statements may be made available at the request of any person who made a proposal under section 40.

Court to
decide
whether
cash-flow
statement or
parts thereof
may be
released.

52.—(1) Subject to any direction of the Court, in circumstances where an interim receiver is appointed under a proposal in respect of an insolvent person, the interim receiver shall for the purpose of monitoring the business and financial affairs—

Court may direct interim receiver to have access to financial documents, books, etc.

- (a) have access to; and
- (b) examine the property of the insolvent person, including—
 - (i) the premises;
 - (ii) the books and records; and
 - (iii) any other financial documents, to the extent necessary to adequately assess the business and financial affairs of the insolvent person.

(2) The interim receiver shall have such access referred to under subsection (1), from the filing of the proposal until the proposal is approved by the Court or the insolvent person becomes bankrupt.

(3) Where the interim receiver is given access under subsection (1), the interim receiver shall—

- (a) file a report on the state of the business and financial affairs of the insolvent person including any prescribed information—
 - (i) with the Supervisor forthwith after ascertaining any material adverse change in the insolvent person's projected cash-flow or financial circumstances of the insolvent person; and
 - (ii) with the Court at such times as the Court may order; and
- (b) send a report on the state of the business and financial affairs of the insolvent person, including any prescribed information, to the creditors and the Supervisor, in the prescribed manner, at least ten days before the meeting of creditors, referred to in section 45.

(4) Where an interim receiver is replaced by a trustee, the interim receiver shall deliver a report on the state of business and financial

affairs of the insolvent person containing any prescribed information to the trustee, at least three days before the meeting of creditors referred to in section 45.

Trustee to file proposal in respect of an insolvent person with Supervisor.

53.—(1) Where a proposal is made in respect of an insolvent person, the trustee shall file a copy of the proposal with the Supervisor appointed under Part IX.

Determination of claims where proposals made with respect to insolvent persons.

54. Except in respect of claims referred to in section 270(2), where a proposal is made in respect of an insolvent person, the time with respect to which the claims of creditors shall be determined, is the time of the filing of—

- (a) the notice of intention; or
- (b) the proposal, where no notice of intention is filed.

Determination of claims where proposals made with respect to bankrupt.

55. Except in respect of claims referred to in section 270(2), where a proposal is made in respect of a bankrupt, the time with respect to which the claims of creditors shall be determined, is the date on which the bankrupt became bankrupt.

Secured creditor may file proof of secured claim in response to proposal. Form 10. First Schedule.

56.—(1) Subject to subsections (2) to (4), a secured creditor to whom a proposal has been made in respect of a particular secured claim may respond within thirty days to the proposal by filing with the trustee a proof of secured claim in the form set out as Form 10 in the First Schedule.

(2) A secured creditor who files a proof of secured claim in response to a proposal, may vote on all questions relating to the proposal in respect of that entire claim, and sections 158 to 161 shall apply, in so far as they are applicable, with such modifications as the circumstances require, to proofs of secured claim.

(3) Where a proposal made to a secured creditor in respect of a secured claim includes a proposed assessed value of the security in respect of the claim, the secured creditor may—

Form 11. First Schedule.

- (a) file with the trustee a proof of secured claim in the form set out as Form 11 in the First Schedule; and

- (b) vote as a secured creditor on all questions relating to the proposal in respect of an amount equal to the lesser of the—
- (i) amount of the claim; and
 - (ii) proposed assessed value of the security.

(4) Where the proposed assessed value referred to in subsection (3)(b) (ii) is less than the amount of the claim of the secured creditor, the secured creditor may file with the trustee a proof of claim in the form set out as Form 10 in the First Schedule and may vote as an unsecured creditor on all questions relating to the proposal in respect of an amount equal to the difference between the amount of the claim and the proposed assessed value.

Form 10.
First
Schedule.

(5) Where a secured creditor is dissatisfied with the proposed assessed value of his security, the secured creditor may apply to the Court, no later than fifteen days after the proposal is sent to the creditors, to have the proposed assessed value revised.

(6) The Court may revise the proposed assessed value and such revised value shall apply for the purposes of this Part.

57. Where no secured creditor having a secured claim of a particular class files a proof of secured claim at or before the meeting of creditors, the secured creditors having claims of that class shall be deemed to have voted for the refusal of the proposal.

Failure of
secured
creditor to
file a proof
claim.

58. A secured creditor to whom a proposal has not been made in respect of a particular secured claim, may not file a proof of secured claim, in respect of that claim.

Secured
creditors not
receiving
proposal
may not file
proof of
claim.

59. A creditor who has a proven claim, whether secured or unsecured, may vote on the proposal by—

- (a) mail;
- (b) personal delivery; or
- (c) printed electronic transmission,

Creditors
with proven
claims may
vote prior to
meeting to
consider
proposal.

delivered to the trustee prior to the meeting and any assent to or dissent from the proposal, where received by the trustee at or prior to the meeting, has effect as if the creditor had been present and had voted at the meeting.

Creditor may appeal decision of meeting held to consider proposal.

60. A creditor may appeal any decision of the meeting held to consider a proposal to the Court.

Claims where creditor elected not to participate in proposal.

61. A proposal made conditional on the purchase of shares or securities or on any other payment or contribution by the creditors shall provide that the claim of any creditor who elects not to participate in the proposal, shall be valued by the Court and shall be paid in cash on approval of the proposal.

Creditors may resolve to accept or refuse proposal.

62.—(1) The creditors may, resolve to accept or refuse to accept the proposal filed under section 40.

(2) For the purposes of subsection (1)—

- (a) the following classes of creditors with proven claims are entitled to vote, that is to say—
 - (i) all unsecured creditors; and
 - (ii) secured creditors in respect of whose secured claims the proposal was made;
- (b) creditors shall vote according to the class of their respective claims, and for that purpose—
 - (i) all unsecured claims constitute one class, unless the proposal provides for more than one class of unsecured claims; and
 - (ii) the classes of secured claims shall be determined as provided by section 47; and
- (c) the votes of the secured creditors shall not count for the purpose of this section, but are relevant only for the purposes of section 59.

(3) A creditor who is a related person of the debtor may vote against the proposal but the debtor shall not vote for the acceptance of the proposal.

(4) Where the trustee is a creditor, the trustee may not vote on the proposal.

(5) The proposal shall be deemed to be accepted by the creditors if, and only if—

- (a) all classes of unsecured creditors vote for the acceptance of the proposal by a majority in number; and
- (b) two thirds in value of the unsecured creditors of each class present, personally or by proxy, at the meeting and voting on the resolution.

(6) Where there is no quorum of secured creditors in respect of a particular class of secured claims, the secured creditors having claims of that class, shall be deemed to have voted for the refusal of the proposal.

63.—(1) Where the creditors refuse a proposal in respect of an insolvent person, the insolvent person shall be deemed to have made an assignment under Part IV at the time of the refusal.

Refusal of proposal by creditors.

(2) Where a proposal is refused under subsection (1) the trustee shall forthwith—

- (a) file a report in respect of the refusal of the proposal in the form set out as Form 13 in the First Schedule with the Supervisor, who shall thereupon issue an assignment in the form set out as Form 1 in the First Schedule, which has the same effect for the purposes of this Act as an assignment filed pursuant to section 30; or

Form 13.
First Schedule.
Form 1.

(b) call a meeting of creditors—

- (i) present at that time, which meeting shall be deemed to be a meeting called under Part VII; and

Part VII.

- (ii) if no quorum exists for the purpose of subparagraph (i), send notice, within five days after the day the assignment mentioned in paragraph (a) is issued, of the meeting of creditors under section 126,

and at either meeting the creditors may by ordinary resolution, notwithstanding section 235, affirm the appointment of the trustee or appoint another trustee in lieu of that trustee.

Effect of
acceptance
of proposal
by creditors
and its
approval by
Court.

64.—(1) A proposal accepted by the creditors and approved by the Court shall be binding on the creditors in respect of—

- (a) all unsecured claims; and
- (b) the secured claims in respect of which the proposal was made and that were in classes in which the secured creditors voted for the acceptance of the proposal by a majority in number and two thirds in value of the secured creditors present, personally or by proxy, at the meeting and voting on the resolution to accept the proposal, but does not release the insolvent person from the debts and liabilities referred to in section 215, unless the creditor assents to so releasing the insolvent person.

(2) The acceptance of a proposal by a creditor, shall not be construed as releasing any person who would not be released under this Act by the discharge of the debtor.

Court to
determine
efficacy of
proposal.

65.—(1) The Court may on application by the debtor, at any time before the meeting of creditors, decide on the efficacy of the proposal filed.

- (2) The Court shall refuse a proposal if it determines—
 - (a) the debtor has not acted, or is not acting, in good faith and with due diligence;
 - (b) the proposal is not likely to be accepted by the creditors; or
 - (c) the creditors as a whole are likely to be materially prejudiced, if the proposal is accepted.

(3) Where the court determines a proposal filed in respect of a looming insolvent fails, the looming insolvent shall not be deemed bankrupt, provided he has not made an assignment.

66. The creditors may appoint no more than five inspectors of the estate of the debtor, who shall have the powers of an inspector under this Act, subject to any extension or restriction of those powers by the terms of the proposal.

Creditors may appoint inspectors.

67. If upon the bankruptcy of an insolvent person who made a proposal to one or more secured creditors in respect of secured claims, any proof of secured claim filed pursuant to section 42 shall cease to be valid or effective, and sections 158 and 170 shall apply in respect of a proof of claim, filed by any secured creditor in the bankruptcy.

Secured claims upon bankruptcy.

68. Where the creditors have voted for the acceptance of a proposal under section 64, the trustee shall—

Trustee to apply to Court for approval of proposal.

- (a) within five days after the acceptance, apply to the Court for a hearing of the application for the approval of the proposal;
- (b) send a notice of the hearing of the application under paragraph (a), in the manner prescribed and at least fifteen days before the date of the hearing to—
 - (i) the debtor;
 - (ii) every creditor who has proved a claim;
 - (iii) the person making the proposal; and
 - (iv) the Supervisor;
- (c) forward a copy of the report referred to in paragraph (d) to the Supervisor, at least ten days before the date of the hearing; and
- (d) at least two days before the date of the hearing, file with the Court, a report on the proposal in the form set out as Form 14 in the Schedule.

Form 14.
First
Schedule.

69.—(1) The Court shall, before approving the proposal—

- (a) consider the report of the trustee in the form set out as Form 14 in the First Schedule respecting the terms of the proposal and the conduct of the debtor; and
- (b) in addition, shall hear—
 - (i) the trustee;
 - (ii) the debtor;
 - (iii) the person making the proposal;
 - (iv) any opposing, objecting or dissenting creditor; and
- (c) such further evidence as the Court may require.

(2) The Court shall refuse to approve the proposal where the Court is of the opinion that the terms of the proposal are not reasonable or are not calculated to benefit the general body of creditors.

(3) Where any of the facts mentioned in section 211 or 215 are proved against the debtor, the Court shall refuse to approve the proposal unless it provides reasonable security for the payment of not less than twenty-five cents on the dollar on all the unsecured claims provable against the estate of the debtor or such percentage thereof as the Court may direct.

(4) No proposal shall be approved by the Court that does not provide for the payment in priority to other claims of all claims directed to be so paid in the distribution of the property of a debtor and for the payment of all proper fees and expenses of the trustee on and incidental to the proceedings arising out of the proposal or in the bankruptcy.

(5) No proposal in respect of an employer of the person making the proposal, shall be approved by the Court unless—

- (a) it provides for payment to the employees and former employees, immediately after Court approval of the proposal, of amounts equal to the amounts that they would be qualified to receive under section 172 (1) (d) if the employer became

bankrupt on the date of the filing of the notice of intention, or proposal if no notice of intention was filed, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the proposal, together with disbursements properly incurred by the employees or former employees, as the case may be, in and about the bankrupt's business during the same period; and

(b) the Court is satisfied that the employer can and will make the payments as required under paragraph (a).

(6) For the purpose of voting on any question relating to a proposal in respect of an employer, no person has a claim for an amount referred to in subsection (5) (a).

(7) All monies payable under the proposal shall be paid to the trustee and, after payment of all proper fees and expenses mentioned in subsection (4), shall be distributed by him to the creditors.

(8) Where the proposal provides for the distribution of property in the nature of promissory notes or other evidence of obligations by or on behalf of the debtor or, when the debtor is a corporation, shares in the capital stock of the corporation, the property shall be dealt with in the manner set out in subsection (4).

(9) Section 182 applies to all distributions made to the creditors by the trustee pursuant to subsection (7) or (8).

(10) Subject to subsections (4) to (6), the Court may either approve or refuse to approve the proposal.

70. The Court may, on application by a person under section 239, appoint another trustee in lieu of the trustee appointed under the notice of intention or proposal that was filed, if it is satisfied that it would be in the best interests of the creditors to do so.

Replacement
of
Trustee by
Court order.

71. The approval by the Court of a proposal made after bankruptcy operates to annul the bankruptcy and to revest in the debtor, or in such other person as the Court may approve, all the right, title and where applicable interest of the trustee in the property of the debtor, unless the terms of the proposal otherwise provide.

Proposals
made after
bankruptcy
operates to
annul
bankruptcy.

Court refusal
of proposal
in respect of
insolvent
person.

72.—(1) Where the Court refuses to approve a proposal filed in respect of an insolvent person—

- (a) the insolvent person is deemed to have made an assignment at the time of the refusal; and
- (b) the trustee shall—

Form 13.
First
Schedule.

Form 1.

- (i) forthwith file a report in respect of the refusal of the proposal in the form set out as Form 13 in the First Schedule with the Supervisor, who shall then issue an assignment in the form set out as Form 1 in the First Schedule, which has the same effect as an assignment filed pursuant to section 30; and
- (ii) within five days after the day the assignment mentioned in paragraph (i) is issued, send notice of the meeting of creditors under section 126, at which meeting the creditors may by ordinary resolution, and notwithstanding section 185, affirm the appointment of the trustee or appoint another trustee in lieu of that trustee.

(2) Where the Court refuses to approve the proposal no costs incurred by a debtor on or incidental to an application to approve a proposal, other than the costs incurred by the trustee, shall be allowed out of the estate of the debtor.

Court may
annul
proposal.

73.—(1) The Court may, on application by notice may direct to the debtor, and if applicable to the trustee and to the creditors, annul the proposal where default is made in the performance of any provision in a proposal, or where it appears to the Court that the proposal cannot continue without injustice or undue delay or that the approval of the Court was obtained by fraud.

(2) An order made under subsection (1) shall—

- (a) be made without prejudice to the validity of any sale, disposition of property or payment duly made, or anything done under or in pursuance of the proposal; and

- (b) notwithstanding the order a guarantee given pursuant to the proposal remains in full force and effect in accordance with its terms.

(3) Where a debtor is convicted of any offence under this Act after the proposal is made a proposal, although accepted or approved, may be annulled by order of the Court at the request of the trustee or of any creditor.

74.—(1) On the annulment of a proposal by the Court the debtor shall be deemed to have made an assignment, and the order annulling the proposal shall refer to such annulment.

Effect of
annulment of
proposal.

(2) Where an order annulling a proposal has been made, the trustee shall, within five days after the order is made, send notice of the meeting of creditors under section 126, at which meeting the creditors may by ordinary resolution, notwithstanding section 73, affirm the appointment of the trustee or appoint another trustee in lieu of that trustee.

(3) Where an order annulling the proposal under subsection (2) has been made, the trustee shall file a report thereof in the form set out as Form 15 in the First Schedule with the Supervisor, who shall then issue an assignment in the form set out as Form 1 in the First Schedule, which has the same effect for the purposes of this Act as an assignment filed pursuant to section 30.

Form 15.
First
Schedule.
Form 1.

75. Where a default occurs in the performance of any provision in a proposal and—

Default in
performance
of proposal.

- (a) the default is not waived by the inspectors (and in the absence of) inspectors, by the creditors; and
- (b) the default is not remedied by the insolvent person within the time prescribed, the trustee shall within such time and in such form and manner as are prescribed, so inform all the creditors and the Supervisor of such default.

76. For the avoidance of doubt, where an insolvent person in respect of whom a proposal has been filed under section 40 makes an

Date of
bankruptcy
by insolvent

person shall be date of assignment where proposal filed.

assignment at any time before the Court has approved the proposal, the date of the bankruptcy is the date of the filing of the assignment.

Agreements shall not be terminated or altered, in certain circumstances, where notice of intention or proposal filed.

77.—(1) Where a notice of intention or a proposal is filed in respect of an insolvent person, no person may terminate or amend any agreement with the insolvent person, or claim an accelerated payment under any agreement with the insolvent person by reason only that—

- (a) the insolvent person is insolvent; or
- (b) a notice of intention or a proposal has been filed in respect of the insolvent person.

(2) Where the agreement referred to in subsection (1) is a lease or a licensing agreement, subsection (1) shall be read as including—

“the insolvent person has not paid rent or royalties, as the case may be, or other payments of a similar nature, in respect of a period preceding the filing of—

- (a) the notice of intention, if one was filed; or
- (b) the proposal, if no notice of intention was filed.”.

(3) Where a notice of intention or a proposal is filed in respect of an insolvent person, a company who provides a public utility service may discontinue service to that insolvent person by reason only that—

- (a) for the circumstances under subsection (1) (a) and (b); or
- (b) the insolvent person has not paid for services rendered, or material provided, before the filing of the proposal.

(4) Nothing in subsections (1) to (3), shall be construed—

- (a) as prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after—
 - (i) the notice of intention, where filed; or
 - (ii) the proposal, where a notice of intention was not filed; or

(b) as requiring the further advance of money or credit.

(5) Any provision in an agreement that has the effect of providing for or permitting anything that in substance, is contrary to subsections (1) to (3), is of no force or effect.

(6) The Court may, on application by a party to an agreement or by a public utility, declare that subsections (1) to (3), shall not apply or apply only to the extent declared by the Court where the applicant satisfies the Court that, the operation of those subsections would likely cause the applicant significant financial hardship.

(7) Subsection (1) shall not apply—

- (a) in respect of an eligible financial contract; or
- (b) to prevent a Jamaica clearing agent or group clearer from ceasing to act as such for an insolvent person.

(8) In subsections (7) and (9), “eligible financial contract” means—

- (a) a currency, cross-currency or interest rate swap, option, future, forward or spot agreement;
- (b) a basis swap agreement;
- (c) a spot, future, forward, or other foreign exchange agreement;
- (d) a cap, collar or floor transaction;
- (e) a forward rate agreement;
- (f) a commodity swap or commodity index swap;
- (g) a spot, option, future, forward or other commodity contract, forward or other precious metals agreement;
- (h) an equity or debt security derivative, including a swap, a total return swap, an index swap, an option, an index option, a future, or a forward agreement;
- (i) a credit derivative, including a credit default, credit basket default, credit spread or total return swap, option, future or forward agreement;

- (j) a weather, bandwidth, freight, inflation, energy (including electricity) or carbon emissions swap, derivative or option;
- (k) a securities or commodities repurchase or reverse repurchase agreement;
- (l) an agreement to buy, sell, borrow or lend securities or commodities, to clear or settle securities or commodities transactions or to act as a depository for securities;
- (m) a margin loan;
- (n) any master agreement or general terms and conditions in respect of any agreement or contract referred to in paragraphs (a) to (m) and (q) to (s);
- (o) any master agreement or general terms and conditions in respect of a master agreement or general terms and conditions referred to in paragraph (n);
- (p) any agreement similar to an agreement or contract referred to in this subsection;
- (q) any agreement of a kind prescribed;
- (r) any swap, contract for differences, forward, cap, collar, floor, or other derivative, or any combination or option in respect of an agreement or contract referred to in this paragraph and paragraphs (a) to (r);
- (t) any collateral arrangement or any other credit enhancement related to any agreements or transactions referred to in paragraphs (a) to (r), including any guarantee, indemnity or reimbursement obligation to the extent that it applies to obligations under any agreements or transactions referred to in paragraphs (a) to (r).

(9) For greater certainty, where an eligible financial contract entered into before the filing in respect of an insolvent person of—

- (a) a notice of intention; or
- (b) a proposal, where no notice of intention was filed, is terminated on or after that filing, the setting off of the

obligations between the insolvent person and the other parties to the eligible financial contract, in accordance with its provisions, shall be permitted; and if net termination values determined in accordance with the eligible financial contract are owed by the insolvent person to another party to the eligible financial contract, that other party shall be deemed, for the purposes of section 87, to be a creditor of the insolvent person with a claim provable in bankruptcy in respect of those net termination values.

(10) For the purposes of this section—

“basis swap agreement” means an interest rate swap in which contracting parties exchange obligations to make interest rate payments;

“cash” means money credited to an account in any currency or a similar claim for repayment of money, such as a money market deposit;

“collateral” means—

- (a) cash;
- (b) securities of any kind, including (without limitation) debt and equity securities, any securities account or other securities entitlement, and rights to acquire securities (including by subscription, purchase or exchange); or
- (c) any futures agreement or futures account;

“collateral arrangement” means a title transfer collateral arrangement or a security interest collateral arrangement;

“commodity swap” means a lending arrangement in which repayment is in a commodity or is based on a commodity price;

“floor transaction” means an agreement providing the right to benefit from changes in interest or currency rate involving the setting of a maximum or upper limit;

“forward agreement” means a cash contract in which two parties agree to the exchange of an asset to be delivered by the seller to the buyer at a specified future date;

“master agreement” means a standard agreement that covers all transactions between the parties;

“net termination value” means the net amount obtained after setting off the mutual payment or delivery obligations or entitlements between the parties to an eligible financial contract in accordance with its provisions, including the application of the proceeds of sale of any collateral or the setting off or application of the value of collateral against such obligations;

“repurchase agreement” means a financial agreement in which a dealer of securities transfers the eligible securities or any interests in the eligible securities to another person, with or without provisions allowing for—

- (a) the substitution of the underlying securities by the dealer; or
- (b) the entitlement of the dealer to the coupon rate on the underlying securities in which the parties agree that at an agreed future date the securities shall be returned to the dealer on the terms and conditions specified in the agreement;

“security interest collateral arrangement” means an agreement under which a collateral provider provides collateral by way of security in favour of, or to, a collateral taker, and where the ownership of or an equity of redemption in the collateral remains with the collateral provider when the security right is established, where the collateral has been delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the collateral taker or of a person acting on the collateral taker’s behalf, and any right of substitution or to withdraw excess collateral in favour of the collateral provider shall not prejudice the collateral having been provided to the collateral taker;

“spot agreement” means an arrangement for expected annual immediate delivery of a currency or commodity at a stated rate of exchange or price;

“title transfer collateral arrangement” means an arrangement, under which a collateral provider transfers title to or ownership of collateral to a collateral taker for the purpose of securing or otherwise covering the performance of obligations.

78. Where a proposal is fully performed, the trustee shall give a certificate to that effect, in the form set out as Form 16 in the First Schedule, to the debtor and Supervisor.

Certificate of performance performed. Form 16. First Schedule.

79. Nothing in this Part precludes the application to proposals of other provisions of this Act with such modifications as the circumstances may require to proposals made under this Part.

Application of other provision of Act.

PART VI. *Effect of Bankruptcy on Property of Bankrupt*

80.—(1) The property of a bankrupt divisible among his creditors shall not comprise—

Property of bankrupt.

- (a) property held by the bankrupt in trust for any other person; or
- (b) property that, as against the bankrupt, is prescribed to be exempt from execution or seizure.

(2) For the purposes of subsection (1), the property of a bankrupt shall comprise—

- (a) all property wherever situated of the bankrupt at the date of the bankruptcy or that may be acquired by or devolve on the bankrupt before the discharge of the bankrupt; and
- (b) such powers in or over or in respect of the property as might have been exercised by the bankrupt for the benefit of the bankrupt.

Excess
income
individual
bankrupts to
be as
prescribed.

81.—(1) The Minister may by notice prescribe the standards for determining the portion of the total income of a person who is bankrupt that exceeds that which is necessary to enable the bankrupt to maintain a reasonable standard of living.

Trustee shall
fix the
amount to be
paid by
bankrupt.

82.—(1) The trustee shall—

- (a) having regard to the prescribed standards referred to in section 81, and the personal and family situation of the bankrupt, fix the amount that the bankrupt is required to pay to the estate of the bankrupt;
- (b) inform the Supervisor in writing of the amount fixed under paragraph (a); and
- (c) take reasonable measures to ensure that the bankrupt complies with the requirement to pay.

(2) The trustee may, at any time, amend an amount fixed under subsection (1)—

- (a) having regard to material changes that have occurred in the personal or family situation of the bankrupt; or
- (b) a recommendation made by the Supervisor under section 83.

Supervisor
shall
recommend
amount to be
paid by
bankrupt
where
standards not
applied.

83.—(1) Where the Supervisor determines that the amount required to be paid by the bankrupt under section 82, is substantially not in accordance with the applicable standards established under section 81, the Supervisor shall recommend in writing to the trustee and to the bankrupt, an amount required to be paid that the Supervisor determines is in accordance with the applicable standards.

(2) Where the trustee and the bankrupt are not in agreement with the amount that the bankrupt is required to pay under section 82, the trustee shall, forthwith, in the form set out as Form 17 in the First Schedule, send to the Supervisor a request that the matter be determined by mediation and send a copy of the request to the bankrupt.

(3) On the request in writing of a creditor made within thirty days after the date of bankruptcy or an amendment referred to in

Form 17.
First
Schedule.

section 82(2), the trustee shall, within the five days following the thirty-day period, send to the Supervisor a request that the matter of the amount the bankrupt is required to pay under section 82, be determined by mediation and send a copy of the request to the bankrupt and the creditor.

(4) Mediation proceedings held under this section shall be in accordance with prescribed procedures.

(5) Documents contained in a file on the mediation of a matter under this section shall form part of the records of a trustee's account referred to in section 224(2).

84.—(1) Where—

- (a) the trustee has not implemented the recommendation made by the Supervisor under section 83;
- (b) the issue submitted to mediation under section 83 is not resolved; or
- (c) the bankrupt fails to comply with the requirement to pay as determined under this section 83,

Court to determine amount to be paid by bankrupt.

the trustee shall, on the request of the inspectors, a creditor or the Supervisor, apply to the Court for a hearing of the matter.

(2) The Court may, in making a determination to fix the amount to be paid by the bankrupt, to the estate of the bankrupt have regard to—

- (a) the standards established under section 82; and
- (b) the personal and family situation of the bankrupt.

(3) Where the Court decides to fix the amount that the bankrupt is required to pay to the estate of the bankrupt, the Court may fix an amount that is fair and reasonable having regard to—

- (a) salary, wages or other remuneration for the services being performed by a bankrupt for a person employing the bankrupt; or
- (b) payment for or commission in respect of any services being performed by a bankrupt for a person, where the person is related to the bankrupt; and

- (c) the part of the salary, wages or other remuneration, or the part of the payment or commission, that shall be paid to the trustee on the basis of the amount so fixed by the Court, unless it appears to the Court that the services have been performed for the benefit of the bankrupt and are not of any substantial benefit to the person for whom they were performed.

(4) For the purposes of section 269, an application referred to in subsection (1), shall be deemed to be a proceeding for the benefit of the estate.

(5) In this section—

- (a) “total income” referred to in subsection (1) includes, notwithstanding section 80(1), all revenues of a bankrupt of whatever nature or source; and
- (b) a requirement that a bankrupt pay an amount to the estate of the bankrupt is enforceable against all property of the bankrupt, other than property referred to section 80(1).

Application to amend order to fix amount.

85.—(1) On the application of any interested person, the Court may, at any time, amend an order made under section 83 to take into account material changes that have occurred in the personal or family situation of the bankrupt.

(2) An order of the Court made under subsection (1) may be served on a person from whom the bankrupt is entitled to receive money, and in such case the order binds the person to pay to the estate of the bankrupt the amount fixed by the order.

(3) Where a person fails to comply with the terms of the order under subsection (1), the Court may, on the application of the trustee, order the person to pay the trustee the amount of money that the estate of the bankrupt would have received had the person complied with the terms of the order.

Assignment of existing or future wages of no effect after bankruptcy.

86.—(1) An assignment of existing or future wages made by a debtor before the debtor became bankrupt, is of no effect in respect of wages earned after the bankruptcy.

(2) An assignment made by a debtor of existing or future amounts receivable as payment for or commission or professional fees in respect of services rendered by a debtor who is a natural person before the debtor became bankrupt, is of no effect in respect of such amounts earned or generated after the bankruptcy.

*Stay of Proceedings upon the Filing of
Notice of Intention or Proposal*

87.—(1) Subject to subsections (2) to (4) and section 89, where a notice of intention has been filed under section 33 in respect of an insolvent person—

Stay of proceedings upon filing of notice of intention or proposal.

- (a) no creditor shall—
 - (i) have any remedy against the insolvent person or the insolvent person's property; or
 - (ii) commence or continue any action, execution or other proceedings, for the recovery of a discharged or the insolvent person becomes bankrupt; and
- (b) no provision of a security agreement between the insolvent person and a secured creditor that provides, in substance, that on—
 - (i) the insolvent person's insolvency;
 - (ii) the default by the insolvent person of an obligation under the security agreement; or
 - (iii) the filing by the insolvent person of a notice of intention under section 33 in respect of the insolvent person,

the insolvent person ceases to have such rights to use or deal with assets secured under the agreement as the insolvent person would otherwise have, has any force or effect until the trustee has been discharged or the insolvent person becomes bankrupt.

(2) Subsection (1) shall not apply—

- (a) to prevent a secured creditor who took possession of secured assets of the insolvent person for the purpose of realization before the notice of intention is filed under section 33 from dealing with those assets;
- (b) unless the secured creditor otherwise agrees, to prevent a secured creditor who gave notice of intention to enforce security under section 19 to enforce that creditor's security against the insolvent person more than ten days before—
 - (i) a notice of intention was filed in respect of the insolvent person; or
 - (ii) the proposal was filed, if no notice of intention was filed from enforcing that security; or
- (c) to prevent a secured creditor who gave notice of intention under section 18 to enforce that creditor's security, from enforcing the security if the insolvent person has, under section 18(2), consented to the enforcement action.

(3) Subject to sections 24, 101 and 162 to 170, the filing of a proposal under section 40, shall not prevent a secured creditor to whom the proposal has not been made in respect of a particular security from realizing or otherwise dealing with that security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.

(4) Subject to sections 24, 101 and 162 to 170, where secured creditors holding a particular class of secured claim vote for the refusal of a proposal, a secured creditor holding a secured claim of that class may henceforth realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.

Stay of
proceedings
upon
bankruptcy.

88.—(1) Subject to subsection (2) and section 89, on the bankruptcy of any debtor, no creditor has any remedy against the debtor or the debtor's property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy, until the trustee has been discharged.

(2) Subject to sections 24, 101 and 162 to 170, the bankruptcy of a debtor shall not prevent a secured creditor from realizing or otherwise dealing with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed, unless the Court otherwise orders.

(3) Where a court makes an order under subsection (2), the Court shall not postpone the right of the secured creditor to realize or otherwise deal with his security, except as follows—

- (a) in the case of a security for a debt that is due at the date the bankrupt became bankrupt or that becomes due not later than six months thereafter, that right shall not be postponed for more than six months from that date; and
- (b) in the case of a security for a debt that does not become due until more than six months after the date the bankrupt became bankrupt, that right shall not be postponed for more than six months from that date, unless all installments of interest that are more than six months in arrears are paid and all other defaults of more than six months standing are cured, and then only so long as no installment of interest remains in arrears or defaults remain uncured for more than six months, but, in any event, not beyond the date at which the debt secured by the security becomes payable under the instrument or law creating the security.

89. A creditor who is affected by the operation of section 87 or 88, may apply to the Court for a declaration that those sections no longer operate in respect of that creditor, and the Court may make such a declaration, subject to any qualifications that the Court considers proper, if it is satisfied—

- (a) that the creditor or person is likely to be materially prejudiced by the continued operation of those sections; or
- (b) that it is equitable on other grounds to make such a declaration.

Aggrieved creditor may apply to Court for removal of stay.

Stay
ineffectual
against
certain
parties and
claims.

90.—(1) Sections 87 and 88, shall not apply in respect of a claim referred to in section 155(4).

(2) Notwithstanding subsection (1), no creditor with a claim referred to in section 155(4) has any remedy, or shall commence or continue any action, execution or other proceeding, against—

- (a) property of a bankrupt that has vested in the trustee; or
- (b) amounts that are payable to the estate of the bankrupt under section 81.

Effect of Receiving Order Assignment on Bankrupt

Precedence
of
bankruptcy
over certain
creditors
unless
process
completed.

91.—(1) Every receiving order and assignment made in pursuance of this Act, takes precedence over all judicial and other attachments, garnishments, certificates of judgment, judgments operating as executions or other process against the property of a bankrupt, except those receiving orders and assignments that have been completely executed by payment to the creditor or his agent, and except the rights of a secured creditor.

(2) An execution levied by seizure and sale of the property of a bankrupt shall not be invalid by reason only of it being an act of bankruptcy, and a person who purchases the property in good faith under a sale by the Bailiff, acquires a good title against the trustee.

Property of
bankrupt to
vest in
trustee on
receiving
order or
assignment.

92.—(1) On a receiving order being made or an assignment being filed with the Supervisor, a bankrupt ceases to have any capacity to dispose of or otherwise deal with his property, which shall, subject to this Act and to the rights of secured creditors—

- (a) pass to and vest in the trustee named in the receiving order or assignment; and
- (b) in any case of change of trustee the property, shall pass from trustee to trustee without any conveyance, assignment or transfer.

(2) Subject to section 261, the trustee may exercise the right to transfer the property of the bankrupt to the same extent as the bankrupt might have exercised that right if he had not become bankrupt.

93. The provisions of this Act shall not be deemed to abrogate or supersede the substantive provisions of any other law or statute that are not in conflict with this Act, and the trustee shall be entitled to avail himself of all rights and remedies provided by that law or statute as supplementary to and in addition to the rights and remedies provided by this Act.

Trustee to avail himself of other rights under other enactments.

94.—(1) Where an assignment or a receiving order has been made, the Bailiff or other officer of any court or other person having seized property of the bankrupt under execution or attachment or any other process shall, on receiving a copy of the assignment or the receiving order certified by the trustee as a true copy, forthwith deliver to the trustee all that property.

Delivery of seized property to trustee where assignment or receiving order made.

(2) Where the Bailiff having seized the property of the bankrupt has sold the property of a bankrupt or any part of that property, he shall deliver to the trustee the money so realized.

(3) Any property of a bankrupt under seizure for rent or taxes shall, on production of a copy of the receiving order or the assignment certified by the trustee as a true copy be delivered forthwith to the trustee, but the costs of distress are a first charge on the property, and, if the property or any part thereof has been sold, the money realized from the sale less the costs of distress and sale shall be paid to the trustee.

95.—(1) Where the bankrupt is a lessee of premises, the trustee, notwithstanding a condition, covenant or agreement in the lease, has the right to hold and retain the leased premises, until the expiration of the tenancy on the same terms and conditions as the lessee might have held the premises had no bankruptcy occurred.

Trustee may surrender lease or deal with leasehold interests.

(2) The tenancy of the leased premises shall terminate upon the trustee disclaiming the lease, but nothing shall prevent the trustee from transferring or disposing of a lease, leasehold property, or any interest of the lessee for the unexpired term to as full an extent as could have been done by the lessee had the bankruptcy not occurred.

(3) If the lease contains a covenant, condition or agreement that the lessee may not assign or sublet the premises without the leave

or consent of the landlord or other person, the covenant, condition or agreement shall be of no effect in case of such a transfer or disposition of the lease or leasehold property if the Court, on the application of the trustee and after notice of the application to the landlord, approves the transfer or disposition proposed to be made of the lease or leasehold property.

(4) The entry of the trustee into possession of the leased premises and the occupation of the premises by the trustee, while required for the purposes of the administration by the trustee, shall not be evidence of an intention on the part of the trustee to elect to retain the premises, nor affect the trustee's right to disclaim the lease.

(5) If the trustee elects to retain the benefits of the lease and after assigns the lease to a person approved by the Court, the liability of the trustee and of the estate of the debtor is limited to the payment of rent for the period of time during which the trustee remains in possession of the leased premises.

(6) The landlord may prove as a general creditor for all rent accrued and due at the date of bankruptcy plus any accelerated rent, not exceeding three months, that may be claimed under the lease.

(7) Except as referred to in subsection (6), the landlord shall not be entitled to prove as a creditor for rent for any portion of the unexpired term of the lease, but the trustee shall pay to the landlord for the period during which the trustee actually occupies and uses the premises from and after the date of bankruptcy a rental calculated on the basis of the lease and payable in accordance with its terms, but any payment already made to the landlord as rent in advance in respect of that period, and any payment to be made to the landlord in respect of accelerated rent, shall be credited against the amount payable by the trustee for that period.

(8) Nothing in this section shall render the trustee personally liable beyond the assets of the debtor in possession of the trustee.

96.—(1) Every copy of—

- (a) a receiving order certified by the Registrar or other officer of the Court; and

Receiving
order and
assignment
shall be
registered.

- (b) an assignment certified by the Supervisor, shall be registered by or on behalf of the trustee the whole or any part of real property that the bankrupt owns or in which he has any interest or estate in the appropriate registry in accordance with laws regarding same.

(2) Where the bankrupt is the registered owner of any land or charge, the trustee, named in a receiving order or assignment referred to in subsection (1), shall be entitled to be registered as owner of the land or charge free of all encumbrances or charges mentioned in section 91(1).

(3) Where a bankrupt owns any land or charge registered under any Act, or has or is believed to have any interest or estate in that land or charge, and for any reason a copy of the receiving order or assignment has not been registered under subsection (1), a caveat or caution (as the case may be) may be lodged with the official in charge of the appropriate registry by the trustee, and any registration thereafter made in respect of the land or charge is subject to the caveat or caution, unless it has been removed or cancelled under the provisions of the relevant law.

(4) Where a trustee tenders or causes to be tendered for registration—

- (a) a receiving order;
- (b) an assignment; or
- (c) other document, such order, assignment or document shall be registered in accordance with the ordinary procedure for registering documents relating to real property.

(5) In the conveyance of real estate purchased from the trustee, it shall not be necessary to join as parties with the trustee persons in whom the legal estate in any mortgage in fee or the legal interest in any mortgage term of years or any other legal or equitable lien or security is vested, but such conveyance when executed by the trustee shall be effectual to vest in the purchaser the real estate purported to be conveyed as if the person having any lien or security, whether the same come

within the purchase money or not, had been made parties to and had executed the said conveyance and had thereby granted, transferred, surrendered or released the same.

(6) Every deed, conveyance, assignment, surrender or other assurance relating solely to freehold or leasehold property or to any mortgage, charge, or other encumbrance on, or any estate, right, or interest in, any real or personal property which is part of the estate of the bankrupt and which after the execution of the deed, conveyance, assignment, surrender or other assurance, either at law or in equity, is or remains the estate of the bankrupt or the trustee, and every power of attorney, proxy paper, writ, order, certificate, affidavit, bond or other instrument or writing relating solely to the property of the bankrupt or to any proceeding under the bankruptcy, shall be exempt from stamp duty and property transfer tax.

Conveyance

Effect of
bankruptcy
on interest in
property.

97.—(1) Where any interest of the bankrupt in any property at the date of bankruptcy was held in joint tenancy, the bankruptcy shall operate as a severance of the joint tenancy and a reversion to tenancy in common.

(2) Where a debtor who is married is, at the date of bankruptcy, the sole registered owner of the matrimonial home and any immediately related real property not exceeding one acre, the spouse of the debtor shall be entitled, within ten days following the bankruptcy, to claim a one-half interest in any net proceeds from a sale or disposition by the trustee of the property after satisfaction of any valid and enforceable charges registered in the appropriate registry.

Transactions
valid unless
prior
registration.

98. Notwithstanding anything in this Act, a deed, conveyance, transfer, agreement for sale, mortgage, or charge made to or in favour of a *bona fide* purchaser or mortgagee for adequate valuable consideration and covering any real property affected by a receiving order or an assignment under this Act is valid and effectual according to the tenor thereof as fully and effectually and for all intents and purposes as if no receiving order or assignment had been made under this Act, unless the receiving

order or assignment, or notice, or caution, has been registered against the property in the appropriate registry prior to the registration of the deed, conveyance, transfer, agreement for sale, mortgage, or charge in accordance with the laws in relation thereto.

Corporations and Banks

99.—(1) Every shareholder or member of a bankrupt corporation is liable to contribute the amount unpaid on his shares of the capital or on his liability to the corporation, its members or creditors, as the case may be, under the Act, charter, or instrument of incorporation of the company or otherwise.

Contributions to be made to bankrupt corporation.

(2) The amount to be contributed under subsection (1), shall be deemed an asset of the corporation and a debt payable to the trustee forthwith on the bankruptcy of the corporation.

100.—(1) Where a banker has ascertained an account holder with the banker is an undischarged bankrupt, the bank shall inform the trustee of the existence of the undischarged bankrupt's account.

Banks and other deposit taking institutions shall advise trustee of existence of account.

(2) The bank shall not make any payments out of the account referred to in subsection (1), except under an order of the Court or in accordance with instructions from the trustee, unless on the expiration of one month from the date of giving the information, no instructions have been received from the trustee.

(3) Notwithstanding anything contained in any other Act, a deposit-taking institution shall on application by the trustee, disclose what deposits of money, if any, of the bankrupt are remaining to the bankrupt's credit, and the deposit-taking institution shall, upon request of the trustee, pay the same to the trustee.

Trustee and Property of Bankrupt

101. Where property of a bankrupt is held as a pledge, pawn or other security, the trustee may give notice in writing of the trustee's intention to inspect the property, and the person so notified shall not thereafter be entitled to realize the security, until the person has given the trustee a reasonable opportunity of inspecting the property and of exercising the right of redemption of the trustee.

Trustee may inspect property.

Liability of trustee where property is disposed of.

102. Where the trustee has seized or disposed of property in the possession or on the premises of a bankrupt, without notice of any claim in respect of the property and it is made to appear that the property was not at the date of the bankruptcy, the property of the bankrupt or was subject to an unregistered lien, a right of retention, a pledge or a charge, the trustee shall not—

- (a) be personally liable for any loss or damage arising from the seizure or disposal sustained by any person claiming the property or an interest in the property; or
- (b) for the costs of proceedings taken to establish a claim to the property, unless the Court is of the opinion that the trustee has been guilty of negligence with respect to the duties of the trustee, in relation to the property.

Persons claiming ownership interest in property of the bankrupt.
Form 10.
First
Schedule.

103.—(1) Where a person claims any property or interest in property, in the possession of a bankrupt at the time of the bankruptcy, that person shall file with the trustee—

- (a) a proof of claim in the form set out as Form 10 in the First Schedule verified by affidavit giving the grounds on which the claim is based; and
- (b) sufficient particulars to enable the property to be identified.

(2) The trustee with whom a proof of claim is filed under subsection (1), shall within fifteen days after the filing of the claim or within fifteen days after the first meeting of creditors, whichever is the later, either—

- (a) admit the claim and deliver possession of the property to the claimant; or
- (b) give notice in writing to the claimant that the claim is disputed with his reasons.

(3) Subject to subsection (4), the claimant appeals to the Court within fifteen days after the mailing of the notice of dispute under paragraph (1) (b), the claimant shall be deemed to have abandoned or relinquished all his right to or interest in the property to the trustee, and

the trustee may sell or dispose of the property free of any lien, right, title or interest of the claimant.

(4) The trustee may before selling or disposing of property under subsection (3), give notice in writing to any person to prove his claim to or interest in property under this section and, unless that person files with the trustee a proof of claim in the form set out as Form 10 in the First Schedule within fifteen days after the mailing of the notice, the trustee may with the leave of the Court sell or dispose of the property free of any lien, right, title or interest of that person.

Form 10.
First
Schedule.

(5) No proceedings shall be instituted to establish a claim to, or to recover any right or interest in any property in the possession of a bankrupt at the time of the bankruptcy, except as provided in this section.

(6) The onus of establishing a claim to or interest in property under this section is on the claimant.

(7) Nothing in this section shall be construed as extending the rights of any person other than the trustee.

Supplier of Goods

104.—(1) Subject to this section, where a supplier, has sold and delivered goods for use in relation to the business of the purchaser, and the purchaser has not fully paid for the goods, the supplier may have access to and repossess the goods at the expense of the supplier, and the purchaser, trustee or receiver shall release the goods, if—

Unpaid
suppliers
may prove
for certain
goods.

(a) the supplier presents a written demand for repossession to the purchaser, trustee or receiver, in form set out as Form 18 in the First Schedule and containing the details of the transaction, within a period of thirty days after the delivery of the goods to the purchaser;

Form 18.

(b) at the time when the demand for repossession under paragraph (a) is presented—

(i) the purchaser is bankrupt; or

(ii) there is a receiver in relation to the purchaser;

- (c) at the time when the demand for repossession is presented, the goods—
- (i) are in the possession of the purchaser, trustee or receiver;
 - (ii) are identifiable as the goods delivered by the supplier and are not fully paid for;
 - (iii) are in the same state as they were on delivery;
 - (iv) have not been resold at arm's length; and
 - (v) are not subject to any agreement for sale at arm's length; and
- (d) the purchaser, trustee or receiver does not, after the demand for repossession is presented, pay to the supplier the entire balance owing.

(2) Where, at the time when the demand for repossession of subsection (1) (a) is presented, the goods are partly paid for, the right of the supplier under subsection (1), shall be read as a right to repossess—

- (a) a portion of the goods proportional to the unpaid amount; or
- (b) all of the goods on paying to the purchaser, trustee or receiver an amount equal to the partial payment previously made to the supplier.

(3) For the purposes of subsection (1)(b)(i), section 72(1)(b)(i) shall be disregarded and sections 65(2)(a) and 72(1)(a) shall both be deemed to read as follows—

- “(a) the insolvent person shall at the time of the refusal be deemed to have made an assignment;”.

(4) Where a notice of intention to file a proposal or a proposal was filed in respect of the purchaser after the delivery of the goods to the purchaser and before there was a receiver in relation to the purchaser or the purchaser became bankrupt, the period between—

- (a) the earlier of the filing of the notice of intention or proposal; and

(b) the earlier of the first day there was a receiver in relation to the purchaser or the day the purchaser became bankrupt, shall not be counted in determining the end of the thirty-day period referred in subsection (1) (a).

(5) A supplier's right to repossess goods pursuant to this section expires if such right is not exercised within ten days after the purchaser, trustee or receiver presents the supplier with a written notice admitting that right, unless the ten-day period is extended by mutual agreement.

(6) Notwithstanding any other enactment, the right of the supplier to repossess goods pursuant to this section ranks above every other claim or right against the purchaser in respect of those goods, but such right shall not rank above the right of a *bona fide* subsequent purchaser of the goods for value without notice that the supplier had demanded repossession of the goods.

(7) The purchaser, trustee or receiver may apply to the Court for directions in relation to any matter relating to this section, and the Court shall give such directions, if any, as it considers proper in the circumstances.

(8) The supplier may apply to the Court where a supplier is aggrieved by any act, omission or decision of the purchaser, trustee or receiver, and the Court may make such order as it considers proper in the circumstances.

(9) Nothing in subsection (7) or (8) precludes any person from exercising any right that the person may have under section 264 or 267.

(10) A supplier who repossesses goods pursuant to this section, shall not pay for those goods.

105.—(1) Where—

(a) a farmer has sold and delivered products of agriculture, or a fisherman has sold and delivered products of the sea, for use in relation to a business;

Claim of
farmer or
fisherman.

- (b) the products referred to in paragraph (a) were within fifteen days preceding—
- (i) the day on which the purchaser became bankrupt; or
 - (ii) the first day on which there was a receiver in relation to the purchaser of the products referred to in (a);
- (c) the farmer or fisherman has not been fully paid for the products as at the day referred to in paragraph (b) (i) or (ii);
- (d) the farmer or fisherman files a proof of claim in the form set out as Form 10 in the First Schedule in respect of the unpaid amount with the trustee or receiver, as the case may be, within thirty days after the day referred to in paragraph (b) (i) or (ii), the claim of the farmer or fisherman for the unpaid amount in respect of the products is secured by a charge on all the inventory of or held by the purchaser as at the day referred to in paragraph (b) (i) or (ii);
- (e) the charge ranks above every other claim, right or charge against that inventory, regardless of when that other claim, right or charge arose, except a supplier's right to repossess goods pursuant to section 104, notwithstanding any other enactment.

(2) Where the trustee or receiver, as the case may be, takes possession of or in any way disposes of an inventory covered by the charge referred to in subsection (1), the trustee or receiver shall be liable for the claim of the farmer or fisherman to the extent of the net amount realized on the disposition of that inventory, after deducting the cost of realization, and is subrogated in and to all rights of the farmer or fisherman to the extent of the amounts paid to them by the trustee or receiver.

(3) In this section—

“aquatic plants and animals” means plants and animals that, at most stages of their development or life cycle, live in an aquatic environment;

“farm” means land in Jamaica used for the purpose of farming, livestock raising, dairying, bee-keeping, fruit growing, the growing of trees and all tillage of the soil;

“farmer” includes the owner, occupier, landlord and tenant of a farm;

“fish” includes shellfish, crustaceans and marine animals;

“fisherman” means a person whose business consists in whole or in part of fishing;

“fishing” means fishing for or catching fish by any method;

“products of agriculture” includes—

- (a) vegetables, fruits and all other direct products of the soil; and
- (b) honey, livestock, dairy products, eggs and all other indirect products of the soil; and

“products of the sea” includes fish of all kinds, marine organic and inorganic life and any substances extracted or derived from the sea.

(5) For the purposes of this section, each thing included in the following terms as defined in subsection (2), namely—

- (a) “products of agriculture”; and
- (b) “products of the sea”,

comprises that thing in any form or state and any part thereof and any product or by-product thereof or derived therefrom.

(6) For the avoidance of doubt, “goods” in section 104 includes products of agriculture and products of the sea.

(7) Nothing in this section precludes a farmer or fisherman from exercising the right that that person may have under section 104, to repossess products of agriculture or products of the sea.

Intellectual Property

Sale of
patented
articles by
trustee.

106.—(1) Where any property of a bankrupt vesting in a trustee consists of patented articles that were sold to the bankrupt subject to any restrictions or limitations, the trustee shall not be bound by the restrictions or limitations but may sell and dispose of the patented articles free of the restrictions or limitations.

(2) Where the manufacturer or vendor of the patented articles referred to in subsection (1) objects to the disposition of them by the trustee as provided by this section and gives the trustee notice in writing of the objection before the sale or disposition of the patented articles, that manufacturer or vendor has the right to purchase the patented articles at the invoice prices of those articles, subject to any reasonable deduction for depreciation or deterioration.

Copyright
works dealt
with by
bankrupt.

107.—(1) Notwithstanding anything in this Act or in any other enactment, the author's manuscripts and any copyright or any interest in a copyright in whole or in part assigned to a publisher, printer, firm or person becoming bankrupt shall, where—

(a) the work covered by the copyright has—

- (i) not been published and put on the market at the time of the bankruptcy;
- (ii) no expenses incurred in connection with the work, revert and be delivered to the author or his heirs; and
- (iii) any contract or agreement between the author or his heirs and the bankrupt shall then terminate and be void;

(b) the work covered by the copyright has in whole or in part been put into type and expenses have been incurred by the bankrupt, revert and be delivered to the author on payment of the expenses so incurred and the product of those expenses shall also be delivered to the author or his heirs and any contract or agreement between the author or his heirs and the bankrupt shall then terminate and be void, but

if the author does not exercise his rights under this paragraph within six months of the date of bankruptcy, the trustee may carry out the original contract;

- (c) the trustee at the expiration of six months from the date of the bankruptcy decides not to carry out the contract, revert without expense to the author, and any contract or agreement between the author or his heirs and the bankrupt shall then terminate and be void.

(2) Where, at the time of the bankruptcy referred to in subsection (1), the work was published and put on the market, the trustee is entitled to sell, or authorize the sale or reproduction of, any copies of the published work, or to perform or authorize the performance of the work, but—

- (a) there shall be paid to the author or his heirs such sums by way of royalties or share of the profits as would have been payable by the bankrupt;
- (b) the trustee is not, without the written consent of the author or his heirs, entitled to assign the copyright or transfer the interest or to grant any interest in the copyright by licence or otherwise, except on terms that shall guarantee to the author or his heirs payment by way of royalties or share of the profits at a rate not less than the rate the bankrupt was liable to pay; and
- (c) any contract or agreement between the author or his heirs and the bankrupt, shall then terminate and be void, except with respect to the disposal, under this subsection, of copies of the work published and put on the market before the bankruptcy.

(3) The trustee shall offer in writing to the author or his heirs the right to purchase the manufactured or marketable copies of the copyright work comprised in the estate of the bankrupt, at such price and on such terms and conditions as the trustee may deem fair and proper before disposing of the manufactured and marketable copies in the manner set out in this section.

108. All sales of intellectual property made by a trustee vest in the purchaser of all the legal and equitable estate of the bankrupt in the property.

Bankrupt's intellectual property vests in purchaser upon sale by trustee.

Partnership Property

109. This Act applies to limited partnerships in like manner as if limited partnerships were ordinary partnerships, and, on all the general partners of a limited partnership becoming bankrupt, the property of the limited partnership vests in the trustee.

Limited partnerships.

110.—(1) Where a member of a partnership becomes bankrupt, the Court may authorize the trustee to commence and prosecute any action in the names of the trustee and of the bankrupt's partner, and any release by the partner of the debt or demand to which the action relates, is void.

Proceedings against bankrupt partner.

(2) Notice of the application for authority to commence an action under subsection (1), shall be given to the bankrupt's partner.

(3) A bankrupt's partner served a notice under subsection (2), may show cause against the action and on his application the Court may, if it thinks fit, direct that the bankrupt's partner shall receive his proper share of the proceeds of the action.

(4) Where the bankrupt's partner under subsection (3) does not claim any benefit from his share, the partner shall be indemnified against costs in respect of the action as the Court directs.

Crown Interests

111.—(1) Notwithstanding any other law in relation to a bankruptcy or proposal made in respect of a bankrupt all provable claims, including secured claims of the Crown, rank as unsecured claims.

(2) Subsection (1) shall not apply to claims that are secured by a security or privilege of a kind that can be obtained by persons other than the Crown, pursuant to any law.

112.—(1) A security provided for in legislation for the sole purpose of securing a claim of the Crown is valid in relation to a bankruptcy or

Crown claims are unsecured.

Crown's security to be registered to be enforceable.

insolvency or proposal, made in respect of a bankrupt only if the security is registered before the earliest date of—

- (a) the date a petition is filed against the debtor;
- (b) the date the debtor makes an assignment; and
- (c) the date the debtor commences proceedings for a proposal, pursuant to a prescribed system of registration.

(2) In relation to a bankruptcy or proposal made in respect of a bankrupt, a security referred to in subsection (1) that is registered in accordance with that subsection, is valid only in respect of amounts owing to the Crown at the time of that registration, in addition to any interest subsequently accruing on those amounts.

Settlements and Preferences

113.—(1) Any settlement of property made—

- (a) within the period beginning on the day that is one year before the date of the initial bankruptcy event in respect of the settlor; and
- (b) ending on the date that the settlor becomes bankrupt, both dates included, shall be void against the trustee.

Settlements
of property
within one
year void.

(2) Any settlement of property made within the period beginning on the day that is five years before the date of the initial bankruptcy event in respect of the settlor and ending on the date that the settlor became bankrupt, both dates included, is void against the trustee, if the trustee can prove that the settlor was at the time of making the settlement, unable to pay all the settlor's debts without the aid of the property comprised in the settlement or that the interest of the settlor in the property did not pass on the execution thereof.

(3) This section shall not apply to any settlement made—

- (a) before and in consideration of marriage;
- (b) in favour of a purchaser or incumbrancer in good faith and for valuable consideration; or

- (c) on or for the spouse or children of the settlor of property that has accrued to the settlor after the marriage in right of the settlor's spouse or children.

Contracts in consideration of marriage.

114.—(1) Any covenant or contract made by any person, hereinafter called “the settlor”, in consideration of the settlor's marriage, either for the future payment of money for the benefit of the settlor's spouse or children, or for the future settlement on or for the settlor's spouse or children, of property wherein the settlor had not at the date of the marriage any estate or interest, whether vested or contingent, in possession or remainder, and not being money or property in right of the settlor's spouse is, if the settlor becomes bankrupt and the covenant or contract is not executed at the date of the initial bankruptcy event in respect of the settlor, void against the trustee.

(2) Notwithstanding subsection (1), as far as it enables the persons entitled under the covenant or contract to claim a dividend in the settlor's bankruptcy proceedings under or in respect of the covenant or contract, but any such claim to a dividend shall be postponed until all claims of the other creditors have been satisfied.

Payments void subject to proof of certain facts.

115.—(1) Any payment of money, not being payment of premiums on a policy of life insurance in favour of the spouse, or any child of the settlor, or any transfer of property made by the settlor in pursuance of a covenant or contract mentioned in section 114, shall be void against the trustee, unless the person to whom the payment or transfer was made proves that—

- (a) the payment or transfer was made more than six months prior to the date of the initial bankruptcy event in respect of the settlor;
- (b) at the date of the payment or transfer, the settlor was able to pay all his debts without the aid of the money so paid or the property so transferred; or
- (c) the payment or transfer was made in pursuance of a covenant or contract to pay or transfer money or property expected to come to the settlor from or on the death of a particular person named in the covenant or contract and was made

within three months after the money or property came into the possession or under the control of the settlor.

(2) Where any payment or transfer mentioned in subsection (1) is declared void, the persons to whom such payment or transfer is made are entitled to claim for dividend under or in respect of the covenant or contract in like manner as if it had not been executed at the date of the initial bankruptcy event.

116.—(1) Where a person engaged in any trade or business makes an assignment of his existing or future book debts or any class or part thereof and subsequently becomes bankrupt, the assignment of book debts is void against the trustee with respect to any book debts that is not paid at the date of bankruptcy.

Assignment of book debts by a bankrupt void.

(2) This section shall not apply to an assignment of book debts that is registered pursuant to any law providing for the registration thereof, if the assignment is valid.

(3) Nothing in this section renders void any—

- (a) assignment of book debts due at the date of the assignment from specified debtors;
- (b) debts growing due under specified contracts; or
- (c) assignment of book debts included in a transfer of a business made in good faith and for valuable consideration.

(4) For the purposes of this section, “assignment” includes assignment by way of security and other charges on book debts.

117.—(1) Every—

- (a) conveyance, gift, delivery or transfer of property or charge made on property;
- (b) payment made;
- (c) obligation incurred;
- (d) judicial proceeding taken or suffered by any insolvent person in favour of any creditor or of any person in trust for any creditor,

Preferences voidable if made within six months.

with a view to giving such creditor or any surety or guarantor for the debt due to such creditor a preference over the other creditors is where it is made, incurred, taken or suffered within the period beginning on the day that is six months prior to the date of the initial bankruptcy event and ending on the date the insolvent person became bankrupt, both dates included, shall be deemed fraudulent and void as against the trustee in the bankruptcy.

(2) Where any conveyance, transfer, charge, payment, obligation, or judicial proceeding mentioned in subsection (1), has the effect of giving any creditor a preference over other creditors, it shall be presumed, in the absence of evidence to the contrary, to have been made, incurred, taken, paid or suffered with a view to giving the creditor a preference over other creditors, whether or not it is made voluntarily or under pressure, and evidence of such pressure shall not be admissible to support the transaction.

Preference to related party voidable if made within twelve months.

118. Where the conveyance, transfer, charge, payment, obligation or judicial proceeding referred to in section 117(1) is in favour of a person related to the insolvent person, the period referred to in that section shall be one year instead of three months.

Transactions between initial bankruptcy event and bankruptcy.

119.—(1) No payment, delivery, conveyance, transfer, contract, dealing or transaction to, by or with, a bankrupt made between the date of the initial bankruptcy event and the date of the discharge of bankruptcy shall be valid, except the following, which are valid if made in good faith, subject to the foregoing provisions of this Act with respect to the effect of bankruptcy on an execution, attachment or other process against property, and subject to the provisions of this Act with respect to settlements, preferences and reviewable transactions—

- (a) a payment by the bankrupt to any of the creditors of the bankrupt;
- (b) a payment or delivery to the bankrupt;
- (c) a conveyance or transfer by the bankrupt for adequate valuable consideration; and

- (d) a contract, dealing or transaction, including any giving of security, by or with the bankrupt for adequate valuable consideration.

(2) In this section “adequate valuable consideration” means—

- (a) in subsection (1) (c), a consideration of fair and reasonable money value with relation to that of the property conveyed, assigned or transferred; and
- (b) in subsection (1) (d), a consideration of fair and reasonable money value with relation to the known or reasonably to be anticipated benefits of the contract, dealing or transaction.

(3) Where there have been mutual credit, mutual debts or other mutual dealings between a bankrupt and any other person proving or claiming to prove a debt in the bankruptcy—

- (a) an account may be taken of what is due from one party to the other in respect of such mutual dealings; and
- (b) the sum due from the one party shall be set off against any sum due from the other party; and
- (c) the balance of the account, and no more, shall be claimed or paid on either side respectively.

120.—(1) Where a person has acquired property of a bankrupt under a transaction that is void or under a voidable transaction that is set aside and has sold, disposed of, realized or collected the property or any part thereof, the money or other proceeds, whether further disposed of or not, shall be deemed to be the property of the trustee.

Proceeds from dealing with property obtained in void or voidable transaction.

(2) The trustee may recover the property or the value of the property or the money or proceeds from the property from the person who acquired it from the bankrupt or from any other person to whom he may have resold, transferred or paid over the proceeds of the property as fully and effectually as the trustee could have recovered the property if it had not been so sold, disposed of, realized or collected.

(3) Notwithstanding subsection (1), where any person to whom the property has been sold or disposed of has paid or given in good faith adequate valuable consideration for the property, that person shall be subject to the operation of this section however the trustee's recourse is solely against the person entering into the transaction with the bankrupt for recovery of the consideration so paid or given or the value of the property.

(4) Where the consideration payable for or on any sale or resale of the property or any part of the property remains unsatisfied, the trustee is subrogated to the rights of the vendor to compel payment or satisfaction.

Good faith transactions with bankrupts protected.

121.—(1) All transactions by a bankrupt with any person dealing with the bankrupt in good faith and for value in respect of property acquired by the bankrupt after the bankruptcy, if completed before any intervention by the trustee, are valid against the trustee, and any estate or interest in the property that by virtue of this Act, is vested in the trustee shall determine and pass in such manner and to such extent as may be required for giving effect to the transaction.

(2) For the purposes of this section, the receipt of any money, security or negotiable instrument from or by the order or direction of a bankrupt by his banker and any payment and any delivery of any security or negotiable instrument made to or by the order or direction of a bankrupt by his banker, shall be deemed to be a transaction by the bankrupt with his banker dealing with the bankrupt for value.

Reviewable transactions in year prior to initial bankruptcy event.

122.—(1) Where a bankrupt sold, purchased, leased, hired, supplied or received property or services in a reviewable transaction within the period beginning on the day that is one year before the date of the initial bankruptcy event and ending on the date of the bankruptcy, the Court may, on the application of the trustee, inquire into whether the bankrupt gave or received, as the case may be, fair market value in consideration for the property or services concerned in the transaction.

(2) Where the Court in proceedings under this section finds that the consideration given or received by the bankrupt in the reviewable transaction was conspicuously greater or less than the fair market value

of the property or services concerned in the transaction, the Court may give judgment to the trustee against the other party to the transaction, against any other person being privy to the transaction with the bankrupt or against all those persons, for the difference between the actual consideration given or received by the bankrupt and the fair market value, as determined by the Court, of the property or services concerned in the transaction.

(3) In making an application under this section, the trustee shall state what in his opinion was—

- (a) the fair market value of the property or services concerned in the transaction; and
- (b) the value of the actual consideration given or received by the bankrupt in the transaction, and the values on which the Court makes any finding pursuant to this section, shall be the values so stated by the trustee unless other values are proven in relation to paragraphs (a) and (b).

123.—(1) Where a corporation that is bankrupt has paid a dividend, other than a stock dividend, or redeemed or purchased for cancellation any of the shares of the capital stock of the corporation within the period beginning on the day that is one year before the date of the initial bankruptcy event and ending on the date of the bankruptcy, the Court may, on the application of the trustee, inquire into the transaction to ascertain whether it occurred at a time when the corporation was insolvent or whether it rendered the corporation insolvent.

Where dividend paid by corporation that is bankrupt.

(2) Where a transaction referred to in subsection (1) has occurred, the Court may give judgment to the trustee against the directors of the corporation, jointly and severally, in the amount of the dividend or redemption or purchase price, with interest on the dividend, redemption or purchase price, that has not been paid to the corporation where the Court finds that—

- (a) the transaction occurred at a time when the corporation was insolvent or the transaction rendered the corporation insolvent; and

- (b) the directors did not have reasonable grounds to believe that the transaction was occurring at a time when the corporation was not solvent or the transaction would not render the corporation insolvent.

(3) In making a determination under subsection (2) (b), the Court shall consider whether the directors acted as prudent and diligent persons would have acted in the same circumstances and whether the directors in good faith relied on—

- (a) financial or other statements of the corporation represented to them by officers of the corporation or the auditor of the corporation, as the case may be, or by written reports of the auditor to fairly reflect the financial condition of the corporation; or
- (b) a report relating to the corporation's affairs prepared pursuant to a contract with the corporation by an attorney, notary public, accountant, engineer, appraiser or other person whose profession gave credibility to the statements made in the report.

(4) Where a transaction referred to in subsection (1) has occurred and the Court makes a finding referred to in subsection (2)(a), the Court may give judgment to the trustee against a shareholder who is related to one or more directors or to the corporation or who is a director not liable by reason of subsection (2)(b) or (5), in the amount of the dividend or redemption or purchase price referred to in subsection (1) and the interest on the dividend, redemption or purchase price, that was received by the shareholder and not repaid to the corporation.

(5) A judgment pursuant to subsection (2), shall not be entered against or be binding on a director who had, in accordance with any applicable law governing the operation of the corporation, protested against the payment of the dividend or the redemption or purchase for cancellation of the shares of the capital stock of the corporation and had thereby exonerated himself under that Act from any liability.

(6) Nothing in this section shall be construed to affect any right, under any applicable law governing the operation of the corporation, under the Companies Act of the directors to recover from a shareholder the whole or any part of any dividend, or any redemption or purchase price, made or paid to the shareholder when the corporation was insolvent or that rendered the corporation insolvent.

(7) For the purposes of subsection (2), the onus of proving—

- (a) that the corporation was not insolvent at the time the transaction occurred and that the transaction did not render the corporation insolvent; or
- (b) that the directors had reasonable grounds to believe that the transaction was occurring at a time when the corporation was not insolvent or that the transaction would not render the corporation insolvent lies on the directors.

(8) For the purposes of subsection (4), the onus of proving that the corporation was not insolvent at the time the transaction occurred and that the transaction did not render the corporation insolvent lies, on the shareholder.

124.—(1) Where a proposal is made under Part V, sections 113 to 123 shall apply to the proposal with such modifications as the circumstances require, except where the proposal otherwise provides.

*Mutatis
mutandis.*

(2) For the purposes of subsection (1), any reference in sections 113 to 123 to “becomes bankrupt”, shall be construed as a reference to “where the proposal is annulled either by the court or pursuant to section 71”, and any reference in those sections to a bankrupt, shall be construed as a reference to the debtor in respect of whom the proposal is filed.

125. Sections 113 to 123 shall apply as though the debtor became bankrupt on the date of the initial bankruptcy event, where the proposal is annulled either by the Court pursuant to section 73, or as a result of a receiving order or assignment.

*Where
proposal
followed by
bankruptcy.*

PART VII. *Administration of Estates*

Trustee to
send notice
to creditors
of first
meeting.

126.—(1) Subject to subsection (2), it shall be the duty of the trustee—

- (a) to inquire as to the names and addresses of the creditors of a bankrupt; and
- (b) within five days after the date of the trustee's appointment, to send a notice of the bankruptcy and of the first meeting of creditors in the manner prescribed to the bankrupt, to every known creditor and the Supervisor.

(2) The meeting under subsection (1) shall be held within the twenty-one-day period following the day of the trustee's appointment, at the office of the Supervisor.

(3) The Supervisor may, when the Supervisor deems it expedient, authorize the meeting to be held at such other place as the Supervisor may fix.

(4) Notwithstanding subsection (3), where the Supervisor is satisfied that an extension of the period during which the first meeting of creditors shall be held is—

- (a) not detrimental to the creditors;
- (b) in the general interests of the administration of the estate, the Supervisor may extend the period by ten days or where the Supervisor is satisfied that special circumstances exist, extend the period up to thirty days.

(5) The trustee shall include with the notice referred to in subsection (1)—

- (a) a list of the creditors with claims amounting to not less than the prescribed threshold;
- (b) a proof of claim; and
- (c) the form set out as Form 12 in the First Schedule and a proxy filled out with the exception of the creditor's name.

(6) In the case of the bankruptcy of an individual, the trustee shall—

- (a) set out in the notice, in the form set out as Form 19 in the First Schedule, information concerning the financial situation of the bankrupt and the obligation of the bankrupt to make payments required under section 82 to the estate of the bankrupt; and
- (b) forthwith advise the Supervisor, and any creditors who have requested such information of—
 - (i) any material change relating to the financial situation of the bankrupt; and
 - (ii) any amendment made under section 82(2) to the amount that the bankrupt is required to pay to the estate of the bankrupt.

Form 19.
First
Schedule.

(7) A trustee shall, as soon as possible after the bankruptcy and not later than five days before the first meeting of creditors, publish the notice in a local daily newspaper in circulation in Jamaica.

127. The first meeting of creditors shall be to—

- (a) consider the affairs of the bankrupt;
- (b) affirm the appointment of the trustee named in assignment receiving order or proposal or substitute another in place of the trustee;
- (c) appoint inspectors; and
- (d) give such directions to the trustee as the creditors may see fit with reference to the administration of the estate.

First meeting
of creditors
to consider
the affairs of
bankrupt,
appoint
trustee, *etc.*

128.—(1) The trustee shall call a meeting of creditors—

- (a) when directed by the Court;
- (b) whenever requested in writing by—
 - (i) a majority of the inspectors appointed under section 145; or

Trustee shall
call meeting
in certain
circumstances.

- (ii) any creditor with the concurrence of one-sixth in value of the unsecured creditors holding one-sixth in number of the proved unsecured claims.

Majority of inspectors may convene meeting.

129. A majority of the inspectors appointed under section 145, may convene a meeting of the creditors at any time when a trustee—

- (a) is not available to call a meeting; or
 (b) has neglected or failed to call a meeting of creditors when so directed by the inspectors.

Notice regarding subsequent meetings.

130.—(1) Meetings of creditors other than the first meeting held under section 128, shall be convened by sending a notice of the time and place of the meeting not less than five days before—

- (a) the scheduled date of each meeting to each creditor; at
 (b) the address given in the creditor's proof of claim.

(2) No notice of any meeting or of any proceeding subsequent to the first meeting of creditors need to be given, to any creditors other than those who have proved their claims.

(3) Where a meeting of creditors is called, the proceedings and resolutions passed at the meeting, unless the Court otherwise orders, are valid, notwithstanding that some creditors had not received notice.

Procedure at Meetings

Trustee or nominee shall be chairman of first meeting.

131.—(1) The trustee or the nominee of the trustee shall be the chairman at the first meeting and subsequent meeting unless otherwise decided by resolution at the meeting some other person is appointed by creditors and shall decide any questions or disputes arising at the meeting.

(2) A creditor may appeal to the Court from any decision arising from the meeting.

Minutes of first meeting of creditors.

132. The chairman of any meeting of creditors shall cause minutes of the proceedings at the meeting to be drawn up and entered in a book kept for that purpose, and the minutes shall be signed by that chairman or by the chairman of the next ensuing meeting.

133.—(1) One creditor entitled to vote, or the representative of that creditor, constitutes a quorum for a meeting of creditors. Quorum at meetings.

(2) Where there is no quorum—

(a) at the first meeting of creditors—

(i) the appointment of the trustee shall be deemed to be confirmed; and

(ii) the chairman shall adjourn the meeting—

(A) to such time and place as the chairman fixes; or

(B) without fixing a time or place for a future meeting;

(b) at any meeting of creditors other than the first meeting, the chairman shall adjourn the meeting to such time and place as the chairman fixes.

134. The chairman of any meeting of creditors may with the consent of the meeting, adjourn the meeting. Adjournment of meeting.

135. Every class of creditors may express its views and wishes separately from every other class and the effect to be given to those views and wishes shall, in case of any dispute and subject to this Act, be at the discretion of the Court. Creditors may express views according to class.

136.—(1) The chairman of any meeting of creditors has the power to admit or reject a proof of claim for the purposes of voting, but this admission or rejection is subject to appeal to the Court. Chairman may admit or reject proof of claim.

(2) Notwithstanding anything in this Act, the chairman may, for the purposes of voting, accept any letter or printed matter transmitted by any form or mode of telecommunication, as proof of the claim of a creditor.

(3) Where the chairman is in doubt as to whether a proof of claim shall be admitted or rejected, the chairman shall mark the proof as objected to and allow the creditor to vote subject to the vote being declared invalid in the event of the objection being sustained.

Completed
proof of
claim required
to enable
voting.

137. No person shall be entitled to vote as a creditor at any meeting of creditors, unless that person has duly proved a claim provable in bankruptcy and the proof of claim has been duly lodged with the trustee before the time appointed for the meeting.

Voting at
meetings.

138.—(1) A creditor may vote either in person or by proxy.

(2) A proxy is not invalid for reason that it is in the form of a letter or printed matter transmitted by any form or mode of telecommunication.

(3) A debtor may not be appointed a proxy to vote at any meeting of his creditors.

(4) A corporation may vote by an authorized agent at meetings of creditors.

(5) Except as otherwise provided by this Act, a creditor shall not be entitled to vote at any meeting of creditors if the creditor did not, at all times within the period beginning on the day that is one year before the date of the initial bankruptcy event in respect of the debtor and ending on the date of the bankruptcy, both dates included, deal with the debtor at arm's length.

(6) A creditor who is not entitled to vote at a meeting of creditors by virtue of subsection (5), may with the leave of the Court vote at the meeting of creditors when all the creditors who have dealt with the debtor at arm's length do not together represent at least twenty per cent in value of the claims against the debtor.

(7) The chairman of any meeting of creditors shall have the casting vote, in circumstances where the vote is equal.

Voting where
claims
acquired.

139.—(1) No creditor shall be entitled to vote on a claim acquired after the bankruptcy of a debtor, unless the entire claim is acquired.

(2) Subsection (1) shall not apply to creditors acquiring notes, bills or other securities on which they are liable.

Where non-
bankrupt
parties
jointly liable.

140. A creditor shall not vote in respect of any claim on or secured by a current bill of exchange or promissory note held by that creditor,

unless the creditor is willing to treat the liability to him by virtue of the bill of exchange or promissory note of every person who is liable on that bill or note antecedently to the debtor, and who is not a bankrupt, as a security in his hands and to estimate the value thereof and for the purposes of voting, but not for the purposes of dividend, to deduct it from his claim.

141.—(1) For the purposes of voting, a secured creditor shall, unless that creditor surrenders his security, state in his proof the particulars of his security—

Secured creditor may vote unsecured portion only.

- (a) the date when the security was given;
- (b) the value at which the creditor assesses the security.

(2) Subject to subsection (1) a creditor is entitled to vote only in respect of the balance if any, due to him, after deducting the value of his security.

142.—(1) Where the trustee is a creditor or a proxy for a creditor, the trustee may vote as a creditor at any meeting of creditors.

Trustee may vote.

(2) The vote of the trustee or of his partner, clerk, attorney or attorney's clerk, either as creditor or as proxy for a creditor, shall not be reckoned in the majority required for passing any resolution affecting the remuneration or conduct of the trustee.

(3) The following persons shall not be entitled to vote on the appointment of a trustee or inspector—

- (a) related persons of the bankrupt as defined in section 2 (3) (a);
- (b) where the bankrupt is a corporation, any officer, director or employee of the corporation; and
- (c) where the bankrupt is a corporation, any wholly-owned subsidiary corporation or any officer, director or employee of the corporation.

143.—(1) Until the contrary is proved, every meeting of creditors in respect of the proceedings where a minute has been signed by the chairman shall be deemed to have been duly convened and held and all

Minutes of meeting to be proof of subsequent meetings.

resolutions passed or proceedings at the meeting to have been duly convened and held and to have been duly passed.

(2) The minutes of proceedings at a meeting of creditors under this Act signed at the same or the next ensuing meeting by a person describing himself as or appearing to be chairman of the meeting at which the minute is signed, shall be admitted in evidence without further proof.

Creditors
vote by
dollar.

144. Subject to this Act, all questions at meetings of creditors shall be decided by ordinary resolution carried by the majority of votes, and for that purpose the votes of a creditor shall be calculated by counting one vote for each dollar of every claim of the creditor that is not disallowed.

Inspectors

Appointment
of inspectors.

145.—(1) At the first or a subsequent meeting of creditors, the creditors shall appoint one or more, but not exceeding five persons as inspectors of the estate of the bankrupt for the purpose of overseeing the administration of the estate of the bankrupt.

(2) A person shall not be eligible to be appointed as an inspector unless the person—

- (a) satisfies the criteria prescribed; and
- (b) is not a party to any contested action or proceedings by or against the estate of the bankrupt.

(3) No defect or irregularity in the appointment of an inspector, vitiates any act done by him in good faith.

(4) The creditors or inspectors at any meeting may fill any vacancy on the board of inspectors.

Powers of
inspector.

146. The powers of the inspectors may be exercised by a majority of them.

Revocation
of
appointment
of inspector.

147.—(1) The appointment of an inspector may be revoked by—

- (a) the creditors at any meeting; and
- (b) the Court, on the application of the trustee or any creditor.

148. Where there is no inspector, any act or thing or any direction or permission by this Act authorized or required to be done or given by inspectors, may be done or given by the Court on the application of the trustee.

Where there is no inspector Court may give direction.

149.—(1) The trustee may, call a meeting of inspectors and shall do so when—

Trustee may call meeting of inspectors.

- (a) requested in writing by a majority of the inspectors; and
- (b) it is deemed advisable.

(2) An inspector may, if all the other inspectors consent, participate in a meeting of inspectors by means of such telephone or other communication facilities as permit all persons participating in the meeting to communicate with each other, and an inspector participating in such a meeting by such means shall be deemed for the purposes of this Act to be present at that meeting.

(3) In the event of an equal division of opinion at a meeting of inspectors, the opinion of any absent inspector shall be sought in order to resolve the difference and, in the case of a difference that cannot be so resolved, it shall be resolved by the trustee, unless it concerns the inspector personal conduct or interest, in which case it shall be resolved by the creditors or the Court.

150. Where—

- (a) there are no inspectors of the estate of the bankrupt; or
- (b) the inspectors fail to exercise the powers conferred upon them, the trustee shall call a meeting of the creditors, for the purpose of appointing inspectors or substituting other inspectors, as the case may be.

Trustee may call meeting to appoint inspectors.

151.—(1) Subject to this Act, the trustee shall in the administration of the property of the bankrupt and in the distribution of that property among his creditors have regard to any directions that may be given by resolution of the creditors at any general meeting or by the inspectors, and any directions so given by the creditors shall in case of conflict be deemed to override any directions given by the inspectors.

Directions by inspectors etc.

(2) The decisions and actions of the inspectors are subject to review by the Court at the instance of the trustee or any interested person and the Court may revoke or vary any act or decision of the inspectors and it may give such directions, permission or authority as it deems proper in substitution or may refer any matter back to the inspectors for reconsideration.

152. No inspector is directly or indirectly capable of purchasing or acquiring for himself or for another, any of the property of the estate for which he is an inspector, except with the prior approval of the Court.

153.—(1) The inspectors shall—

- (a) from time to time verify the bank balance of the estate;
- (b) examine the trustee's accounts and inquire into the adequacy of the security filed by the trustee; and
- (c) subject to subsection (2), approve the trustee's final statement of receipts and disbursements, dividend sheet and disposition of unrealized property.

(2) Before approving the final statement of receipts and disbursements of the trustee, the inspectors shall—

- (a) satisfy themselves that all the property has been accounted for;
- (b) satisfy themselves that the administration of the estate has been completed as far as can reasonably be done; and
- (c) determine whether or not the—
 - (i) disbursements and expenses incurred are proper and have been duly authorized; and
 - (ii) fees and remuneration are just and reasonable in the circumstances.

154.—(1) Each inspector—

- (a) may be reimbursed the actual and necessary travel expenses incurred in relation to the performance of the inspector's duties; and

Court approval required by inspector to acquire property.

Duties of inspector.

Remuneration to inspectors.

(b) may be paid such fees per meeting as are prescribed.

(2) An inspector duly authorized by the creditors or by the other inspectors to perform special services for the estate, may be allowed a special fee for those services, subject to approval of the Court.

(3) The Court may, vary the fees referred to in paragraph (1)(b), as it deems proper having regard to the nature of the services rendered in relation to the fiduciary obligations of the inspector to the estate.

Claims Provable

155.—(1) All debts and liabilities, present or future, to which— Claims provable.

(a) the bankrupt is subject on the day on which the bankrupt becomes bankrupt; or

(b) to which the bankrupt may become subject before the bankrupt's discharge by reason of any obligation incurred before the day on which the bankrupt becomes bankrupt, shall be deemed to be claims provable in proceedings under this Act.

(2) The determination whether a contingent or unliquidated claim is a provable claim and the valuation of such a claim shall be made in accordance with section 171.

(3) A creditor may prove a debt not payable at the date of bankruptcy and may receive dividends equally with the other creditors, deducting only therefrom a rebate of interest at the rate of five per cent per annum or such rate as the Minister may, by order subject to affirmative resolution, determine, computed from the declaration of a dividend to the time when the debt would have become payable according to the terms on which it was contracted.

(4) A claim in respect of a debt or liability referred to in section 215(1) (c) or (d) payable under an order or agreement made before the date of the initial bankruptcy event in respect of the bankrupt and at a time when the spouse or child was living apart from the bankrupt, whether the order or agreement provides for periodic amounts or lump sum amounts, is a claim provable under this Act.

Where
bankruptcy
follows
proposal.

156.—(1) The claims of creditors under a proposal are, in the event of a debtor subsequently becoming bankrupt, provable in the bankruptcy for the full amount of the claims less any dividends paid on those claims pursuant to the proposal; and the provable claims of creditors arising after the proposal until the date of bankruptcy shall be provable in the bankruptcy.

(2) Where interest on any debt or sum certain is provable under this Act but the rate of interest has not been agreed on, the creditor may prove interest at a rate not exceeding five per cent per annum or such rate as the Minister may, by order subject to affirmative resolution, determine, to the date of the bankruptcy from the time the debt or sum was payable, if evidenced by a written instrument, or, if not so evidenced, from the time notice has been given to the debtor of the interest claimed.

157. Where a bankrupt was, at the date of the bankruptcy, liable—

- (a) in respect of distinct contracts as a member of two or more distinct firms; or
- (b) as a sole contractor and also as a member of a firm, the fact that the firms are in whole or in part composed of the same individuals, or that the sole contractor is also one of the joint contractors, shall not prevent proof, in respect of the contracts, against the properties respectively liable on the contracts.

Proof of Claims

Proof of
claim required
to share in
distribution

158.—(1) Every creditor who prove his claim, shall be entitled to share in any distribution that may be made.

(2) A claim shall be proved by delivering to the trustee a proof of claim in the form set out as Form 10 in the First Schedule.

(3) The proof of claim—

- (a) may be made by—
 - (i) the creditor himself; or
 - (ii) a person authorized by him; and

Form 10.
First
Schedule.

(b) if made by a person so authorized under paragraph (a), such proof of claim shall state his authority and means of knowledge.

(4) The proof of claim referred to in subsection (3) shall—

- (a) contain a statement of account showing the particulars of the claim;
- (b) contain any counterclaim that the bankrupt may have to the knowledge of the creditor;
- (c) specify the vouchers or other evidence, if any, by which it can be substantiated; and
- (d) state whether the creditor is a secured or preferred creditor.

(5) Where any rent or other payment for certain periods falls due at stated times the person entitled to the rent or payment may prove for a proportionate part of the rent or other payment to the date of bankruptcy, as if the rent or payment grew due from day to day.

159. Where a creditor or other person in any proceedings under this Act knowingly files with the trustee, a proof of claim containing any wilfully false statement or misrepresentation, the Court may, in addition to any other penalty provided in this Act, disallow the claim in whole or in part, as the Court in its discretion may see fit.

Court may disallow false claims.

160. Every creditor who has lodged a proof of claim shall be entitled to see and examine the proofs of other creditors.

Creditors may examine proofs of claim.

161. Proofs of claims for wages of workers and others employed by the bankrupt may be made—

- (a) by the bankrupt or a person on behalf of the bankrupt;
- (b) by a representative of the ministry responsible for labour; or
- (c) by a representative of a union representing workers and others employed by the bankrupt, by attaching to the proof, a schedule setting out the names and addresses of the workers

Proof of claims for wages of workers and others employed by bankrupt.

and others and the amounts severally due to them, but that proof does not disentitle any worker or other wage-earner to file a separate proof on their own behalf.

Proof by Secured Creditors

Secured creditor may prove for balance due.

162. Where a secured creditor realizes his security, he may prove the balance due to him, after deducting the net amount realized.

Secured creditors may prove whole claim.

163. Where a secured creditor surrenders his security to the trustee for the general benefit of the creditors, he may prove his whole claim.

Trustee may require proof of claim by secured creditor.
Form 11.
First Schedule.
Form 8

164.—(1) Where the trustee has knowledge of property that may be subject to a security, the trustee may, by serving notice in the form set out as Form 11 in the First Schedule, require any person to file, a proof of the security in the form set out as Form 8 in the First Schedule that gives full particulars of the security, including the date on which the security was given and the value at which that person assesses it.

(2) Where the trustee serves a notice pursuant to subsection (1), and the person on whom the notice is served does not file the proof of security within thirty days after the day of service of the notice, the trustee may, with leave of the Court, sell or dispose of any property that was subject to the security, free of that security.

(3) The trustee may redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in the proof of security, by the secured creditor.

(4) A creditor shall be entitled to receive a dividend in respect only of the balance due to him, after deducting the assessed value of his security.

Trustee may require security to be sold.

165.—(1) Where the trustee is dissatisfied with the value at which a security is assessed, the trustee may require that the property the security comprises be offered for sale at such time and on such terms and conditions as may be agreed on between the creditor and the trustee or, in default of such an agreement, as the Court may direct.

(2) Where a sale under subsection (1), is by public auction the creditor or the trustee on behalf of the estate may also bid or purchase, the property.

(3) The costs and expenses of a sale made under this section are at the discretion of the Court.

166. Notwithstanding sections 164(3) and 165, the creditor may, by notice in writing, require the trustee to elect whether he will exercise the power of redeeming the security or requiring it to be realized, and if the trustee does not, within one month after receiving the notice or such further time or times as the Court may allow, signify in writing to the creditor his election to exercise the power, the trustee shall not be entitled to exercise that power, and the equity of redemption or any other interest in the property comprised in the security that is vested in the trustee shall vest in the creditor, and the amount of the claim of the trustee shall be reduced by the amount at which the security has been valued.

Secured creditor may require trustee to elect.

167. Where a creditor realize his security after having valued his security, or it is realized under section 166, the net amount realized shall be substituted for the amount of any valuation previously made by the creditor and shall be treated in all respects as an amended valuation made by the creditor.

Amended claim where security realized.

168.—(1) Where a trustee has not elected to acquire the security as provided in this Act, a creditor may at any time amend the valuation and proof on showing to the satisfaction of the trustee or the Court that the valuation and proof were made in good faith on a mistaken estimate, or that the security has diminished or increased in value since its previous valuation.

Amendment of claim where security not realized.

(2) An amendment pursuant to subsection (1), shall be made at the cost of the creditor and on such terms as the Court orders, unless the trustee allows the amendment without application to the Court.

(3) Where a valuation has been amended pursuant to this section, the creditor—

- (a) shall forthwith repay any surplus dividend that he may have received in excess of that to which he would have been entitled on the amended valuation; or

- (b) is entitled to be paid out of any money for the time being available for dividend any dividend or share of dividend that he may have failed to receive by reason of the amount of the original valuation before that money is made applicable to the payment of any future dividend, but he is not entitled to disturb the distribution of any dividend declared before the amendment is filed with the trustee.

Exclusion of secured creditor from dividend.

169. Where a secured creditor does not comply with sections 162 to 168, he shall be excluded from any payment of dividend.

No creditor to receive more than one hundred cents on dollar.

170. Subject to section 166, a creditor shall in no case receive more than one hundred cents on the dollar and interest as provided by this Act.

Admission and Disallowance of Proofs of Claim and Proofs of Security

Trustee to examine proofs.

171.—(1) The trustee shall examine every proof of claim or proof of security and the grounds for the proof, and may require further evidence in support of the claim or security.

(2) The trustee shall determine whether any contingent claim or unliquidated claim is a provable claim and, if it is a provable claim, the trustee shall value it, and the claim is, subject to this section, deemed a proved claim to the amount of its valuation.

(3) The trustee may disallow, in whole or in part—

- (a) any claim;
- (b) any right to a priority under the applicable order of priority set out in this Act; or
- (c) any security.

(4) Where the trustee makes a determination under subsection (2) or, pursuant to subsection (3), disallows, in whole or in part, any claim any right to a priority or any security, the trustee shall provide, in the prescribed manner, to the person whose claim was subject to a determination under subsection (2) or whose claim, right to a priority

or security was disallowed under subsection (3) a written notice in the form set out as Form 8 in the First Schedule setting out the reasons for the determination or disallowance.

Form 8.
First
Schedule.

(5) A determination under subsection (2) or a disallowance under subsection (3) is final and conclusive unless, no later than a thirty-day period after the service of the notice referred to in subsection (4) or such further time as the Court may on application made within that period allow, the person to whom the notice was provided appeals from the trustee's decision to the Court.

(6) The Court may expunge or reduce the proof of claim or the proof of security on the application of a creditor or of the debtor if the trustee declines to interfere in the matter.

Scheme of Distribution

172.—(1) Subject to subsections (2) and (3) and the rights of secured creditors, the proceeds realized from the property of a bankrupt shall be applied in priority of payment in descending order in the following three categories—

Ranking of
claims.

(a) Category 1, namely—

- (i) the reasonable funeral and testamentary expenses incurred by the legal personal representative of a deceased bankrupt;
- (ii) the costs of administration, being—
 - (A) the expenses and fees of any person acting under a direction made under section 236(1);
 - (B) the expenses and fees of the trustee; and
 - (C) legal costs;
- (iii) the levy payable under section 182; then

(b) Category 2, namely—

- (i) contributions payable by the bankrupt, as an employer, pursuant to

- (A) the National Housing Trust Act;
 - (B) the National Insurance Act; and
 - (C) an approved superannuation fund or approved retirement scheme under the Pensions (Superannuation Funds and Retirement Schemes) Act;
- (ii) claims for wages and salaries, of any employee for services rendered during the six months immediately preceding the bankruptcy; however, the sum to which priority is to be given under this paragraph shall not, in the case of any particular claimant, exceed five hundred thousand dollars or such other amount as the Minister may, by order subject to affirmative resolution, prescribe;
 - (iii) redundancy payments payable under the Employment (Termination and Redundancy Payments) Act, whether such payments fall due before or after the appointment of a liquidator or a trustee under this Act;
 - (iv) all taxes (excluding penalties and interests) imposed under the provisions of any law and having become due and payable by the bankrupt within twelve months before the appointment of a liquidator or a trustee under this Act, not exceeding in total one year's assessment;
- (c) Category 3, namely, all other claims provable in bankruptcy.
- (2) The debts within each category specified in subsection (1), shall rank equally among themselves and be paid in full, unless there are insufficient funds in the estate of the bankrupt to pay all the claims for debts within the category, in which case the claims shall abate in equal proportions.
- (3) Where a proposal made by an insolvent person has been approved by the Court pursuant to section 69(7), the insolvent

person has not subsequently been adjudged bankrupt, and the trustee has not been required to notify the Supervisor pursuant to section 75, the claims under sub-paragraphs (i) and (ii) of subsection (1) (b) shall be read as including only those amounts due for the periods commencing twelve and six months, respectively, before the proposal was filed.

(4) Subject to the retention of such sums as may be necessary for the costs of administration or otherwise, payment in accordance with subsections (1), (2) and (3), shall be made as soon as funds are available for the purpose.

(5) A creditor whose rights are restricted by this section is entitled to rank as an unsecured creditor for any balance of claim due him.

173. A creditor who entered into a reviewable transaction with a debtor at any time prior to the bankruptcy of the debtor shall not be entitled to claim a dividend in respect of a claim arising out of that transaction until all claims of the other creditors have been satisfied, unless the transaction was in the opinion of the trustee or of the Court a proper transaction.

Reviewable
Transaction.

174. Any person related to a bankrupt shall not be entitled to have a claim preferred as provided by section 172, in respect of wages, salary, commission or compensation for work done or services rendered to the bankrupt.

Claims of
relative of
bankrupt.

175. Where a lender advances money to a borrower engaged or about to engage in trade or business under a contract with the borrower that the lender, shall receive a rate of interest varying with the profits or shall receive a share of the profits arising from carrying on the trade or business, and the borrower subsequently becomes bankrupt, the lender of the money is not entitled to recover anything in respect of the loan until the claims of all other creditors of the borrower have been satisfied.

Claim of
participating
lender.

176. Where a corporation becomes bankrupt, no officer or director of the corporation is entitled to have his claim preferred as provided by section 172, in respect of wages, salary, commission or compensation for work done or services rendered to that corporation in any capacity.

Claim of
officer and
director.

Dividends
prorata.

177. Subject to this Act, all claims proved in a bankruptcy shall be paid ratably.

Property of
bankrupt
partnership.

178.—(1) Where partners become bankrupt, their joint property shall be applicable in the first instance in payment of their joint debts, and the separate property of each partner shall be applicable in the first instance in payment of his separate debts.

(2) Where there is a surplus of the separate properties of the partners, it shall be dealt with as part of the joint property.

(3) Where there is a surplus of the joint property of the partners, it shall be dealt with as part of the respective separate properties in proportion to the right and interest of each partner in the joint property.

(4) Where a bankrupt owes debts both individually and as a member of one or more partnerships, the claims shall rank first on the property of the individual or partnership by which they represent were contracted and shall only rank on the other estate or estates after all the creditors of the other estate or estates have been paid in full.

(5) Where the joint property of any bankrupt partnership is insufficient to defray any costs properly incurred, the trustee may pay such costs as cannot be paid out of the joint property out of the separate property of the bankrupts or one or more of them in such proportion as he may determine with the consent of the inspectors of the estates out of which the payment is intended to be made, or, if the inspectors withhold or refuse their consent, with the approval of the Court.

Where
surplus
remains after
claims paid.

179. Where there is a surplus after payment of the claims as provided in sections 172 to 178, it shall be applied in payment of interest from the date of the bankruptcy at the rate of six per cent per annum on all claims proved in the bankruptcy and according to their priority.

Final surplus
to bankrupt.

180. The bankrupt or the legal personal representative of a deceased bankrupt is entitled to any surplus remaining after payment in full to his creditors with interest as provided by this Act and of the costs, charges and expenses of the bankruptcy proceedings.

181. Nothing in this Act shall affect the right of any person who has a claim against the bankrupt for damages on account of injury to or death of any person, or injury to property, occasioned by a motor vehicle, or on account of injury to property being carried in or on a motor vehicle, to have the proceeds of any liability insurance policy applied in or toward the satisfaction of the claim.

Motor
vehicle
insurance.

182.—(1) For the purpose of defraying the expenses of the supervision by the Supervisor, there shall be payable to the Supervisor for deposit with the Crown, a levy on all payments made by the trustee by way of dividend or otherwise on account of the claims of creditors, whether unsecured, preferred or secured creditors, and including the Crown claiming in respect of taxes or otherwise.

Supervisor's
levy.

(2) The levy referred to in subsection (1), shall be six per cent of all payments, or such higher amount as the Minister, may, subject to affirmative resolution, apply, and shall be charged proportionately against all payments and deducted from the payments by the trustee before payment is made.

Dividends

183.—(1) Subject to the retention of such sums as may be necessary for the costs of administration or otherwise, the trustee shall, from time to time as required by the inspectors, declare and distribute dividends among the unsecured creditors entitled to dividends.

Inspectors to
declare
dividends to
ordinary
unsecured
creditors.

(2) Where the validity of any claim filed with the trustee has not yet been determined, the trustee shall retain sufficient funds to provide for payment of the claim in the event that the claim is admitted.

(3) No action for a dividend lies against the trustee, but, if the trustee refuses or fails to pay any dividend after having been directed to do so by the inspectors, the Court may, on the application of any creditor, order him to pay it, and also to pay personally, interest on the dividend for the time that it is withheld as well as the costs of the application.

184.—(1) The trustee may, after the first meeting of the creditors, give notice by registered mail to every person with a claim of which the

Thirty-day
notice to
prove claims.

trustee has notice or knowledge but whose claim has not been proved that, if that person does not prove his claim within a period of thirty days after the mailing of the notice, the trustee shall proceed to declare a dividend or final dividend without regard to that person's claim.

(2) Where a person notified under subsection (1) does not prove the claim within the time limit or within such further time as the Court, on proof of merits and satisfactory explanation of the delay in making proof, may allow, the claim of that person shall, notwithstanding anything in this Act, be excluded from all share in any dividend, but a taxing authority may notify the trustee within the period referred to in subsection (1) that it proposes to file a claim as soon as the amount has been ascertained, and the time for filing the claim shall thereupon be extended to three months or such further time as the Court may allow.

(3) Notwithstanding subsection (2), a claim may be filed for an amount payable under the Income Tax Act within the time limit referred to in subsection (2) or within three months from the time the return of income or other evidence of the facts on which the claim is based is filed or comes to the attention of the Crown.

(4) Unless the trustee retains sufficient funds to provide for payment of any claims that may be filed under the Income Tax Act, no dividend shall be declared until the expiration of three months after the trustee has filed all returns that the trustee is required to file.

Where claim
proven after
dividend
declared.

185. A creditor who has not proved his claim before the declaration of any dividend is entitled on proof of his claim to be paid, out of any money for the time being in the hands of the trustee, any dividend or dividends he may have failed to receive before that money is applied to the payment of any future dividend, but the creditor shall not be entitled to disturb the distribution of any dividend declared before his claim was proved for the reason that he has not participated in that dividend, except on such terms and conditions as may be ordered by the Court.

Final
statement of
receipts and
disbursements
to be
prepared.

186. When the trustee has realized all the property of the bankrupt or all of that property that can, in the joint opinion of the trustee and of the inspectors, be realized without needlessly protracting the administration, and settled or determined or caused to be settled or

determined the claims of all creditors to rank against the estate of the bankrupt, the trustee shall prepare a final statement of receipts and disbursements and dividend sheet and, subject to this Act, divide the property of the bankrupt among the creditors who have proved their claims.

187.—(1) The trustee's final statement of receipts and disbursements shall contain a complete account of all monies received by the trustee out of the property of the bankrupt or otherwise, the amount of interest received by the trustee, all monies disbursed and expenses incurred and the remuneration claimed by the trustee, together with full particulars, description and value of all property of the bankrupt that has not been sold or realized, setting out the reason why the property has not been sold or realized and the disposition made thereof.

Final
statement of
receipts and
disbursements.

(2) The statement referred to in subsection (1), shall be prepared in the form set out as Form 20 in the First Schedule or as near thereto as the circumstances of the case will permit, and together with the dividend sheet shall be submitted to the inspectors for their approval.

Form 20.
First
Schedule.

(3) The trustee shall forward a copy of the statement and dividend sheet to the Supervisor after they have been approved by the inspectors.

(4) The Supervisor shall comment as he sees fit and his comments shall be placed by the trustee before the taxing officer for his consideration on the taxation of the accounts of the trustee.

(5) After the Supervisor has commented on the taxation of the trustee's accounts or advised the trustee that the Supervisor has no comments to make and the accounts of the trustee have been taxed, the trustee shall, in the prescribed manner, forward to every creditor whose claim has been proved, to the Registrar, to the Supervisor and to the bankrupt—

- (a) a copy of the final statement of receipts and disbursements;
- (b) a copy of the dividend sheet; and
- (c) a notice in the form set out as Form 21 in the First Schedule of his intention to pay a final dividend after the expiration of

Form 21.

fifteen days from the mailing of the notice, statement and dividend sheet and to apply to the Court for his discharge on a subsequent date not less than thirty days after the payment of the dividend.

(6) No interested person shall be entitled to object to the final statement and the dividend sheet unless, prior to the expiration of the fifteen days referred to in subsection (5)(c), that person files notice of his objection with the Registrar setting out his reasons for the objection and serves a copy of the notice on the trustee.

Dividends on joint and separate properties.

188. Where joint and separate properties are being administered, the dividends may be declared together, and the expenses of administering the properties shall be apportioned by the trustee.

Unclaimed dividends and undistributed funds.

189.—(1) Before proceeding to discharge, the trustee shall forward to the Supervisor for deposit, as prescribed, the unclaimed dividends and undistributed funds that the trustee possesses, and shall provide a list of names and the post office addresses, in so far as known, of the creditors entitled to the unclaimed dividends, showing the amount payable to each creditor.

(2) The Supervisor shall, after receiving the dividends and funds and the list referred to in subsection (1), on application, pay to any creditor his proper dividend as shown on that list, and such payment has effect as if made by the trustee.

Summary Administration

Summary administration.

190. The following provisions apply to the summary administration of estates under this Act where the Supervisor has made a determination under section 30(9)—

- (a) all proceedings under this section shall be titled “Summary Administration”;
- (b) the security to be deposited by a trustee under section 21(d) shall not be required unless directed by the Supervisor;
- (c) a notice of the bankruptcy in the form set out as in Form 19 in the First Schedule shall not be published in a local newspaper in circulation throughout Jamaica unless such

Form 19.
First
Schedule.

publication is deemed expedient by the trustee or ordered by the Court;

- (d) all notices, statements and other documents shall be sent by ordinary mail;
- (e) a first meeting of the creditors—
 - (i) is required to be called by the trustee only if it is requested within thirty days after the date of the bankruptcy by the Supervisor or by creditors who have in the aggregate at least twenty-five per cent in value of the proven claims;
 - (ii) shall be called in the prescribed manner and form set out as Form 19 in the First Schedule; and
 - (iii) shall be held within twenty-one days after being called;
- (f) there shall be no inspectors unless the creditors decide to appoint them and, if no inspectors are appointed, the trustee, in the absence of directions from the creditors, may do all things that may ordinarily be done by the trustee with the permission of the inspectors;
- (g) in such circumstances as may be specified by the Supervisor, the estates of individuals who, because of their relationship, could reasonably be dealt with as one estate may be dealt with as one estate;
- (h) in such circumstances as are specified by the Supervisor and with the approval of the Supervisor, the trustee may deposit all monies relating to the summary administration of estates in a single trust account;
- (i) a notice of bankruptcy and—
 - (i) a notice of impending automatic discharge of the bankrupt; or
 - (ii) an application for discharge of the bankrupt may be given in a single notice in the form set out as Form 22 in the First Schedule;

Form 19.
First
Schedule.

Form 22.

- (j) notwithstanding section 186, the procedure respecting the accounts of the trustee, including the taxation of those accounts shall be as prescribed; and
- (k) notwithstanding section 273 (1), (5) and (6), the procedure for the discharge of the trustee shall be as prescribed.

Remuneration
in summary
administration.

191. For the summary administration of estates, the trustee shall receive such fees and disbursements as may be prescribed.

Provisions of
Act
applicable to
mutatis
mutandis to
summary
administration.

192. Except as provided in section 190, all provisions of this Act, in so far as they are applicable, apply with such modifications as the circumstances require to summary administration.

PART VIII. *Bankrupts*

Counselling Services

Trustee to
counsel
individual
bankrupts.

193.—(1) The trustee shall provide, or provide for, counselling for an individual bankrupt and such persons as may be prescribed, and the estate of the bankrupt shall pay the costs of the counselling, as costs of administration of the estate, according to the prescribed tariff.

(2) Where counselling is provided by a trustee to a debtor who is not bankrupt, that counselling must be provided as prescribed.

(3) Section 205 shall not apply to an individual bankrupt who has refused or neglected to receive counselling provided pursuant to subsection (1).

Duties of Bankrupts

Duties of
bankrupts.

194. A bankrupt shall—

- (a) make discovery of and deliver all of his property that is under his possession or control to the trustee or to any person authorized by the trustee to take possession of it or any part thereof;
- (b) deliver to the trustee, for cancellation—
 - (i) all access devices issued to and in the possession or control of the bankrupt;

- (ii) all cheque leaves in the possession or control of the bankrupt;
- (c) deliver to the trustee all books, records, documents, writings and papers including without restricting the generality of the foregoing, title papers, insurance policies and tax records and returns and copies thereof in any way relating to his property or affairs;
- (d) at such time and place as may be determined by the Supervisor, attend upon the Supervisor for examination under oath with respect to his conduct, the causes of his bankruptcy and the disposition of his property;
- (e) within five days following the bankruptcy, unless the time is extended by the Supervisor, prepare and submit to the trustee a statement of the bankrupt's affairs in the prescribed form verified by affidavit and showing—
 - (i) the particulars of the bankrupt's assets and liabilities;
 - (ii) the names and addresses of the bankrupt's creditors;
 - (iii) the securities held by the respective creditors;
 - (iv) the dates when the securities were respectively given; and
 - (v) such further or other information as may be reasonably required by the trustee or the Supervisor, as the case may be, but where the affairs of the bankrupt are so complex involved or complicated that the bankrupt alone cannot reasonably prepare a proper statement of affairs, the Supervisor may, as an expense of the administration of the estate, authorize the employment of a duly qualified person to assist in the preparation of the statement;

- (f) make or give all the assistance within his power to the trustee in making an inventory of his assets;
- (g) make disclosure to the trustee—
 - (i) of all property disposed of within the period beginning on the day that is one year before the date of the initial bankruptcy event or beginning on such other antecedent date as the Court may direct, and ending on the date of the bankruptcy; and
 - (ii) as to how, to whom and for what consideration any part of the property was disposed of, except such part as had been disposed of in the ordinary manner of trade or used for reasonable personal expenses;
- (h) make disclosure to the trustee of all property disposed of by gift or settlement without adequate valuable consideration within the period beginning on the day that is five years before the date of the initial bankruptcy event and ending on the date of the bankruptcy;
- (i) attend the first meeting of his creditors unless prevented by illness or other sufficient cause and submit to examination;
- (j) when required, attend other meetings of his creditors or of the inspectors, or attend on the trustee;
- (k) submit to such other examinations under oath with respect to his property or affairs as may be required;
- (l) make his best effort in the realization of his property and the distribution of the proceeds among his creditors;
- (m) execute such powers of attorney, conveyances, deeds and instruments as may be required;
- (n) examine the correctness of all proofs of claim filed, if required by the trustee;
- (o) in case any person has to his knowledge filed a false claim, disclose the fact immediately to the trustee;

- (p) inform the trustee of any material change in the bankrupt's financial situation;
- (q) until his application for discharge has been disposed of and the administration of the estate completed, keep the trustee advised at all times of his place of residence and any other address;
- (r) generally do all such acts and things in relation to his property and the distribution of the proceeds among his creditors—
 - (i) as may be reasonably required by the trustee,
 - (ii) as may be prescribed .

195. Where a bankrupt is a corporation, the officer executing the assignment, or such officer of the corporation, or such person who has, or has had, directly or indirectly, control in fact of the corporation, as the Supervisor may specify shall attend before the Supervisor for examination and shall perform all of the duties imposed on a bankrupt by section 194, and, in case of failure to do so, the officer or person is punishable as though that officer or person were the bankrupt.

Responsible officer, bankrupt is a corporation.

196. Where a bankrupt is undergoing a sentence of imprisonment or otherwise lawfully detained, the Court may, in order to enable the bankrupt to—

Imprisoned bankrupt.

- (a) attend in Court in bankruptcy proceedings at which his personal presence is required;
- (b) attend the first meeting of creditors; or
- (c) perform the duties required of him under this Act, direct that the bankrupt be brought before the Court in the protective custody of a bailiff or other duly authorized officer at such time and place as may be designated; or the Court may make such other order as it deems proper and requisite in the circumstances.

Examination of Bankrupts and Others

197.—(1) Before the discharge of a bankrupt, the Supervisor may, on the attendance of the bankrupt, examine the bankrupt under oath with respect to the conduct of the bankrupt, the causes of the bankruptcy

Examination of bankrupt by Supervisor.

and the disposition of the bankrupt's property, and shall put to the bankrupt questions as the Supervisor may see fit.

(2) The Supervisor shall make notes of an examination made under subsection (1) and shall forward a copy of the notes to the trustee and the Court for deposit therein.

(3) Where the examination under subsection (1) is held—

- (a) before the first meeting of creditors, the notes shall be communicated to the creditors at the meeting; or
- (b) after the first meeting of creditors, the notes shall be made available to any creditor who requests them.

(4) Where a bankrupt fails to present himself for examination by the Supervisor, the Supervisor shall report the failure to the trustee.

Investigation
by Supervisor
regarding
bankrupt.

198.—(1) The Supervisor may make or cause to be made any inquiry or investigation that may be deemed necessary in respect of the conduct of the bankrupt, the causes of his bankruptcy, and the disposition of his property, and the Supervisor shall report the findings on any such inquiry or investigation to the trustee and to the Court.

(2) Where pursuant to subsection (1) an inquiry or investigation is made by the Supervisor, the Supervisor shall, out of the monies appropriated by Parliament to defray the expenses of the office of the Supervisor, pay such reasonable costs and expenses incurred in connection with the inquiry or investigation, not being ordinary costs or expenses of his office.

(3) Section 200 applies in respect of an inquiry or investigation under subsection (1).

Trustee may
examine
bankrupt and
others.

199.—(1) The trustee, on ordinary resolution passed by the creditors or on the written request or resolution of a majority of the inspectors, may—

- (a) without an order, examine under oath before the Registrar—
 - (i) the bankrupt;
 - (ii) any person reasonably thought to have knowledge of the affairs of the bankrupt; or

- (iii) any person who is or has been an agent, clerk, servant, officer, director or employee of the bankrupt,

respecting the bankrupt, his dealings or property;

- (b) order any person liable to be so examined as specified in paragraph (a) to produce any books, documents, correspondence or papers in his possession or power relating in whole or in part to the bankrupt, his dealings or property.

(2) On the application to the Court by the Supervisor, any creditor or other interested person and on sufficient cause being shown, the Court may make an order for the examination under oath, before the Registrar or any other person authorized by the Court, of—

- (a) the trustee;
- (b) the bankrupt;
- (c) an inspector or a creditor; or
- (d) any other person named in the order,

for the purpose of investigating the administration of the estate of any bankrupt, and may further order any person liable to be so examined to produce any books, documents, correspondence or papers in the person's possession or power relating in whole or in part to the bankrupt, the trustee or any creditor, the costs of the examination and investigation to be in the discretion of the Court.

(3) The evidence of any person examined under this section shall, if transcribed, be filed in the Court and may be read in any proceedings before the Court under this Act and to which the person examined is a party.

200.—(1) Where a person has, or is believed or suspected to have, in his possession or power any of the property of the bankrupt, or any book, document or paper of any kind relating in whole or in part to the bankrupt, his dealings or property, or showing that he is indebted to the bankrupt, he may be required by the trustee to produce the

Trustee may require delivery of property of bankrupt and production of books and records.

book, document or paper for the information of the trustee, or to deliver to him any property of the bankrupt in his possession.

(2) Where a person fails to produce a book, document or paper or to deliver property as required by this section within five days after being required to do so, the trustee may, without an order of a court, examine the person before the Registrar or other authorized person concerning the property, book, document or paper that the person is supposed to possess.

(3) Any person referred to in subsection (1) may be compelled to attend and testify, and to produce on his examination any book, document or paper that under this section he is liable to produce, in the same manner and subject to the same rules of examination, and the same consequences of neglecting to attend or refusing to disclose the matters in respect of which he may be examined, as would apply to a bankrupt.

Where person may be ordered by Court to pay trustee.

201.—(1) Where a person on examination under this Part admits that he is indebted to the bankrupt, the Court may, on the application of the trustee, order him to pay to the trustee, at such time and in such manner as to the Court seems expedient, the amount admitted or any part of the amount either in full discharge of the whole amount in question or not, as the Court thinks fit, with or without costs of the examination.

(2) Where any person on examination admits that he has in his possession any property belonging to the bankrupt, the Court may, on the application of the trustee, order him to deliver to the trustee the property or any part of the property at such time, in such manner and on such terms as to the Court may seem just.

Issue of warrant for apprehension and examination of persons.

202. Where the bankrupt fails to present himself for examination before the Supervisor as required by paragraph (d) of section 197 or where he or any other person is served with a summons to attend for any examination but refuses or neglects to attend as required by the appointment or summons, the Court may, in addition to any other available remedy on the application of the trustee, by warrant cause the

bankrupt or other person so in default to be apprehended and brought up for examination.

203.—(1) Any person subject to being examined by a Court under this Part bound to answer all questions relating to the business or property of the bankrupt, to the causes of his bankruptcy and the disposition of his property.

Examination
by Court.

(2) The Court may order that any person who, if in Jamaica, would be liable to be brought before the Court for any examination under this Act, be examined in any place outside of Jamaica.

Arrest of Bankrupts

204.—(1) The Court may, by warrant, cause a bankrupt to be arrested and detained, and any books, papers, other documents and property in his possession to be seized, and the books, papers, electronic documents and property to be safely kept as directed until such time as the Court may order, in any of the following circumstances—

Court order
for arrest of
bankrupt.

- (a) where, after the filing of a bankruptcy petition against the bankrupt, it appears to the Court that there are grounds for believing that he has absconded or is about to abscond from Jamaica with a view to—
 - (i) avoiding payment of the debt in respect of which the bankruptcy petition was filed;
 - (ii) avoiding appearance to any such petition;
 - (iii) avoiding examination in respect of his affairs; or
 - (iv) otherwise avoiding or delaying proceedings in bankruptcy against him;
- (b) where, after making an assignment, it appears to the Court that there are grounds for believing that the bankrupt has absconded or is about to abscond from Jamaica with a view to avoiding payment of his debts or to avoiding examination in respect of his affairs;

- (c) where, after the filing of a bankruptcy petition or an assignment, it appears to the Court that there are reasonable grounds for believing that the debtor—
 - (i) is about to remove his property with a view to preventing or delaying possession being taken of the property by the trustee; or
 - (ii) has concealed or is about to conceal or destroy any of his property or any books, documents or writings that might be of use to the trustee or to his creditors in the course of the bankruptcy proceedings;
- (d) where the bankrupt removes any property in his possession without leave of the Court or the trustee; or
- (e) where after the commencement of proceedings under this Act, the bankrupt has failed to obey an order of the Court.

(2) No payment or proposal made or security given after arrest made under this section is exempt from the provisions of this Act relating to fraudulent preferences.

Discharge of Bankrupts

Automatic discharge of first-time individual bankrupt.

205.—(1) Subject to subsection (2), whereof an individual has never before been bankrupt under the laws of Jamaica or any prescribed jurisdiction then—

- (a) the trustee shall, before the expiration of the eight-month period immediately following the date on which a receiving order is made against, or an assignment is made by, the individual bankrupt, file a report prepared under section 207(1) with the Supervisor and send a copy of the report to the bankrupt and to each creditor who requested a copy;
- (b) the trustee shall, not less than fifteen days before the date of automatic discharge provided for in paragraph (g), give notice in writing of the impending discharge, in the prescribed form, to the Supervisor, the bankrupt and every creditor who has proved a claim, at the creditor's last-known address;

- (c) where the Supervisor intends to oppose the discharge of the bankrupt, the Supervisor shall give notice of the intended opposition, in writing in the prescribed form stating the grounds for the opposition, to the trustee and to the bankrupt at any time prior to the expiration of the nine month period immediately following the bankruptcy;
- (d) where a creditor intends to oppose the discharge of the bankrupt, the creditor shall give notice of the intended opposition, stating the grounds for the opposition, to the Supervisor, to the trustee and to the bankrupt at any time prior to the expiration of the nine-month period immediately following the bankruptcy;
- (e) where the trustee intends to oppose the discharge of the bankrupt, the trustee shall give notice of the intended opposition in the prescribed form and manner, stating the grounds for the opposition, to the bankrupt and the Supervisor at any time prior to the expiration of the nine-month period immediately following the bankruptcy;
- (f) where the Supervisor, the trustee or a creditor opposes the discharge of the bankrupt, the trustee shall, unless the matter is to be dealt with by mediation under section 208, promptly apply to the Court for an appointment for the hearing of the opposition in the manner referred to in sections 206 to 213, which hearing shall be held—
 - (i) within thirty days after the day the appointment is made; or
 - (ii) at such later time as may be fixed by the Court at the request of the bankrupt or the trustee;
- (g) where the Supervisor, the trustee or a creditor has not opposed the discharge of the bankrupt in the nine-month period immediately following the bankruptcy, then, subject to section 193(3)—

- (ii) forthwith after the expiration of that nine-month period, the trustee shall issue a certificate to the discharged bankrupt, in the prescribed form, declaring that the bankrupt is discharged and is released from all debts except those matters referred to in section 272(1), and shall send a copy of the certificate to the Supervisor.

(2) Nothing in subsection (1) precludes an individual bankrupt from applying to the Court for discharge before the expiration of the nine month period immediately following the bankruptcy, and subsection (1) ceases to apply to an individual bankrupt who makes the application before the expiration of that period.

(3) The provisions of this Act concerning the discharge of bankrupts apply in respect of an individual bankrupt who has never before been bankrupt under the laws of Jamaica or of any prescribed jurisdiction, to the extent that those provisions are not inconsistent with this section, whether or not the bankrupt applies to the Court for a discharge referred to in subsection (2).

(4) An automatic discharge by virtue of paragraph (g) of subsection (1) is deemed, for all purposes, to be an absolute and immediate order of discharge by the Court.

Bankruptcy
of an
individual
operates as
an
application
for discharge.

206.—(1) Subject to section 159, the making of a receiving order against, or an assignment by, any person except a corporation operates as an application for discharge, unless the bankrupt, by notice in writing, files in the Court and serves on the trustee a waiver of application before being served by the trustee with a notice of the trustee's intention to apply to the Court for an appointment for the hearing of the application as provided in this section.

(2) The trustee, before proceeding to the discharge and in any case not earlier than three months and not later than one year following the bankruptcy, of any person who has not served a notice of waiver on the trustee, shall on five days notice to the bankrupt apply to the Court for an appointment for a hearing of the application on a date not more than thirty days after the date of the appointment or at such

other time as may be fixed by the Court at the request of the bankrupt or trustee.

(3) A bankrupt who has given a notice of waiver as provided in subsection (1) may, at any time at the bankrupt's own expense, apply for a discharge by obtaining from the Court an appointment for a hearing, which shall be served on the trustee not less than twenty-one days before the date fixed for the hearing of the application, and the trustee on being served therewith shall proceed as provided in this section.

(4) A bankrupt corporation may not apply for a discharge unless it has satisfied the claims of its creditors in full.

(5) The Court may, before issuing an appointment for hearing an application for discharge, if requested by the trustee, require such funds to be deposited with, or such guarantee to be given to, the trustee, as it deems proper, for the payment of the fees and disbursements incurred in respect of the application.

(6) The trustee, on obtaining or being served with an appointment for hearing an application for discharge, shall, not less than fourteen days before the day appointed for the hearing of the application, send a notice of the application in the prescribed form to the Supervisor, the bankrupt and every creditor who has proved a claim, at the creditor's last known address.

(7) Where the trustee is not available to perform the duties required of a trustee on the application of a bankrupt for a discharge, the Court may authorize any other person to perform such duties and may give such directions as it deems necessary to enable the application of the bankrupt to be brought before the Court.

207.—(1) The trustee shall prepare a report in the prescribed form with respect to—

- (a) the affairs of the bankrupt;
- (b) the causes of the bankruptcy;
- (c) the manner in which the bankrupt has performed the duties imposed on the bankrupt under this Act or obeyed the orders of the Court;

Trustee to
prepare
report of
application
of bankrupt
for discharge.

- (d) the conduct of the bankrupt both before and after the date of the initial bankruptcy event
- (e) whether the bankrupt has been convicted of any offence under this Act; and
- (f) any other fact, matter or circumstance that would justify the Court in refusing an unconditional order of discharge,

and the report shall be accompanied by a resolution of the inspectors declaring whether or not they approve or disapprove of the report, and in the latter case, the reasons for the disapproval shall be given.

(2) Where an application of a bankrupt for a discharge is pending, the trustee shall—

- (a) file the report prepared under subsection (1) in the Court not less than two days; and
- (b) forward a copy of the report to the Supervisor, to the bankrupt and to each creditor who requested a copy not less than ten days,

before the day appointed for hearing the application, and in all other cases the trustee, before proceeding to the discharge, shall file the report in the Court and forward a copy of the report to the Supervisor.

(3) The Supervisor may make such further or other report to the Court as he deems expedient or as in his opinion ought to be before the Court on the application referred to in subsection (2).

(4) The trustee or any creditor may attend the Court and be heard in person or by an attorney-at-law.

(5) For the purposes of the application referred to in subsection (2), the report of the trustee is evidence of the statements contained in the report.

(6) Where a bankrupt intends to dispute any statement contained in the report of the trustee, the bankrupt shall at or before the time of the hearing the application for discharge give notice in

(7) A creditor who intends to oppose the discharge of a bankrupt on grounds other than those mentioned in the trustee's report shall give notice of the intended opposition, stating the grounds of the opposition to the trustee and to the bankrupt at or before the time appointed for the hearing of the application for discharge.

208.—(1) The report prepared under section 207(1) shall include a recommendation as to whether or not the bankrupt should be discharged subject to conditions, having regard to the bankrupt's conduct and ability to make payments.

Trustee's report to provide recommendation.

(2) The trustee shall consider the following matters in making a recommendation under subsection (1)—

- (a) whether the bankrupt has complied with a requirement imposed on the bankrupt under section 81;
- (b) the total amount paid to the estate by the bankrupt, having regard to the bankrupt's indebtedness and financial resources; and
- (c) whether the bankrupt, where the bankrupt could have made a viable proposal, chose to proceed to bankruptcy rather than to make a proposal as the means to resolve the indebtedness.

(3) A recommendation under subsection (1) that the bankrupt be discharged subject to conditions is deemed to be an opposition to the discharge of the bankrupt.

(4) Where the bankrupt does not agree with the recommendation of the trustee, the bankrupt may, before the expiration of the ninth month after the date of the bankruptcy, send the trustee a request in writing to have the matter determined by mediation.

(5) Where a request for mediation has been made under subsection (4) or the discharge of the bankrupt is opposed by a creditor or the trustee in whole or in part on a ground referred to in paragraph (m) or (n) of section 210, the trustee shall send an application for

mediation in the prescribed form to the Supervisor within five days after the expiration of the nine-month period referred to in subsection (4) or within such further time as the Supervisor may allow.

(6) A mediation shall be conducted in such manner as may be prescribed.

(7) Where the issues submitted to mediation are not resolved by mediation or the bankrupt has failed to comply with conditions that were established by the trustee or as a result of mediation, the trustee shall forthwith apply to the Court for an appointment for the hearing of the matter, which hearing shall be held—

- (a) within thirty days after the day the appointment is made; or
- (b) at such later time as may be fixed by the Court,

and the provisions of this Part in respect of applications to the Court under this subsection in relation to the discharge of a bankrupt apply, with such modifications as the circumstances require.

(8) Where the bankrupt complies with the conditions imposed on the bankrupt by the trustee in relation to the discharge of the bankrupt or as a result of mediation referred to in this section, the trustee shall—

- (a) issue to the bankrupt a certificate of discharge in the prescribed form releasing the bankrupt from all debts other than a debt referred to in section 215(1); and
- (b) send a copy of the certificate of discharge to the Supervisor.

(9) Documents contained in a file on the mediation of a matter under this section form part of the records referred to in section 14(2).

Powers of
Court in
relation to
discharge.

209.—(1) On the hearing of an application of a bankrupt for a discharge, the Court may put such questions to such persons and receive such evidence as it thinks fit.

(2) On the hearing of an application of a bankrupt for a discharge, the Court may either—

- (a) grant or refuse an absolute order of discharge or suspend the operation of the order for a specified time; or

- (b) grant an order of discharge subject to any terms or conditions with respect to any earnings or income that may afterwards become due to the bankrupt or with respect to his after-acquired property.

(3) Notwithstanding subsection 2, the Court shall on proof of any of the facts hearing the application mentioned in section 210—

- (a) refuse the discharge of a bankrupt;
- (b) suspend the discharge for such period as the Court thinks proper; or
- (c) require the bankrupt, as a condition of his discharge, to perform such acts, pay such monies, consent to such judgments, or comply with such other terms, as the Court may direct.

(4) Where at any time after the expiration of one year after the date of any order made under this section the bankrupt satisfies the Court that there is no reasonable probability of the bankrupt being in a position to comply with the terms of the order, the Court may modify the terms of the order or of any substituted order, in such manner and on such conditions as it may think fit.

(5) The Court's powers of suspending and of attaching conditions to the discharge of a bankrupt may be exercised concurrently.

210. The facts referred to in section 209 are that—

- (a) the assets of the bankrupt are not of a value equal to thirty-three and one-third cents on the dollar on the amount of the bankrupt's unsecured liabilities, unless the bankrupt satisfies the Court that the fact that the assets are not of that value has arisen from circumstances for which the bankrupt cannot justly be held responsible;
- (b) the bankrupt has omitted to keep such books of account as are usual and proper in the business carried on by the bankrupt and as sufficiently disclose the business transactions

Facts
relevant to
discharge.

and financial position of the bankrupt within the three years before the date of the initial bankruptcy event;

- (c) the bankrupt has continued to trade after becoming aware of being insolvent;
- (d) the bankrupt has failed to account satisfactorily for any loss of assets or for any deficiency of assets to meet the bankrupt's liabilities;
- (e) the bankrupt has brought on, or contributed to, the bankruptcy by rash and hazardous speculations, by unjustifiable extravagance in living, by gambling or by culpable neglect of the bankrupt's business affairs;
- (f) the bankrupt has put any of the bankrupt's creditors to unnecessary expense by a frivolous or vexatious defence to any action properly brought against the bankrupt;
- (g) the bankrupt has, within the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy, incurred unjustifiable expense by bringing a frivolous or vexatious action;
- (h) the bankrupt has, within the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy, when unable to pay debts as they became due, given an undue preference to any of the bankrupt's creditors;
- (i) the bankrupt has, within the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy, incurred liabilities in order to make the bankrupt's assets equal to thirty-three and one-third cents on the dollar on the amount of the bankrupt's unsecured liabilities;

- (j) the bankrupt has on any previous occasion been bankrupt or made a proposal to creditors;
- (k) the bankrupt has been guilty of any fraud or fraudulent breach of trust;
- (l) the bankrupt has committed any offence under this Act or any other enactment in connection with the bankrupt's property, the bankruptcy or the proceedings under the bankruptcy;
- (m) the bankrupt has failed to comply with a requirement to pay imposed under section 81;
- (n) the bankrupt, if the bankrupt could have made a viable proposal, chose bankruptcy rather than a proposal to creditors as the means to resolve the indebtedness; and
- (o) the bankrupt has failed to perform the duties imposed on the bankrupt under this Act or to comply with any order of the Court.

211. For the purposes of section 210, the assets of a bankrupt shall be deemed to be of a value equal to thirty-three and one-third cents on the dollar on the amount of his unsecured liabilities when the Court is satisfied that the property of the bankrupt has realized, is likely to realize or, with due care in realization, might have realized an amount equal to thirty-three and one-third cents on the dollar on the bankrupt's unsecured liabilities.

Value of bankrupt's assets.

212.—(1) A statutory disqualification on account of bankruptcy ceases when the bankrupt is discharged upon application to the court and obtains from the Court a certificate to the effect that the bankruptcy was caused by misfortune without any misconduct on the part of the bankrupt.

Cessation of any statutory disqualification.

(2) The Court may, if it thinks fit, grant a certificate mentioned in subsection (1), and a refusal to grant such a certificate is subject to appeal.

Bankrupt to
report to
trustee and
Court.

213.—(1) Where an order of discharge is granted on terms or conditions or on the bankrupt consenting to judgment, the bankrupt shall, until the terms or conditions are met or the judgment is satisfied—

- (a) give the trustee such information as he may require with respect to his earnings and after-acquired property and income; and
- (b) not less than once each year file in the Court and with the trustee a statement verified under oath showing the particulars of any property or income he may have acquired subsequent to the order for his discharge,

and the trustee or any creditor may require the bankrupt to attend for examination under oath with respect to the facts contained in the statement or with respect to his earnings, income, after-acquired property or dealings.

(2) Where the bankrupt fails to give information or to file a statement as required by subsection (1), to attend for examination when required to do so or to answer all questions fully and accurately with respect to his earnings, income, after-acquired property or dealings, the Court may on the application of the trustee or of any creditor revoke the order of discharge.

(3) Where a conditional order of discharge of a bankrupt is made providing for payment of a further dividend or sum of money by the bankrupt, all payments on account in respect of the dividend or sum of money shall be made to the trustee for distribution to the creditors.

Court may
consider
effects of
settlement
before
marriage.

214. Where—

- (a) a settlement is made before and in consideration of marriage and the settlor is not at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement; or

- (b) any covenant or contract is made in consideration of marriage for the future settlement on or for the settlor's spouse or children of any property the settlor had not at the date of marriage any estate or interest, not being property of or in right of his spouse,

if the settlor becomes bankrupt and it appears to the Court that the settlement, covenant or contract was made in order to defeat or delay his creditors, or was unjustifiable having regard to the state of the settlor's affairs at the time when it was made, the Court may refuse or suspend an order of discharge or grant an order subject to conditions in like manner as in cases where the bankrupt has been guilty of fraud.

215.—(1) An order of discharge does not release the bankrupt from—

Debts not released by order of discharge.

- (a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order imposed by a court in respect of an offence, or any debt arising out of a recognizance or bail;
- (b) any award of damages by a Court in civil proceedings in respect of—
 - (i) bodily harm intentionally inflicted, or sexual assault; or
 - (ii) wrongful death resulting from the bodily harm or sexual assault referred to in sub-paragraph (i);
- (c) any debt or liability for maintenance of the spouse, of the bankrupt;
- (d) any debt or liability under a support, maintenance or affiliation order or under an agreement for maintenance and support of a spouse, or child living apart from the bankrupt;
- (e) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity;

- (f) any debt or liability for obtaining property by false pretences or fraudulent misrepresentation;
- (g) liability for the dividend that a creditor would have been entitled to receive on any provable claim not disclosed to the trustee, unless the creditor had notice or knowledge of the bankruptcy and failed to take reasonable action to prove his claim; or
- (h) any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (g);
- (i) any debt or obligation in respect of a loan made under the Students Loan Fund Act or any other law which provides for loans or guarantees of loans to students where the date of bankruptcy of the bankrupt occurred—
 - (i) before the date on which the bankrupt ceased to be a fulltime or part-time student, as the case may be, under the Act or other relevant law; or
 - (ii) within ten years after the date on which the bankrupt ceased to be a full-time or part-time student.

(2) Subject to subsection (1), an order of discharge releases the bankrupt from all claims provable in bankruptcy.

(3) At any time after ten years after a bankrupt who has a debt referred to in subsection (1)(i) ceases to be a full-time or part-time student as the case may be under the Student Loan Fund Act or other relevant law, the Court may, on application, order that subsection (1) does not apply to the debt if the Court is satisfied that—

- (a) the bankrupt has acted in good faith in connection with the liabilities under the loan; and
- (b) the bankrupt has and will continue to experience financial difficulty to such an extent that the bankrupt will be unable to pay the liabilities under the loan.

216. An order of discharge does not release a person who at the date of the bankruptcy was a partner or co-trustee with the bankrupt or was jointly bound or had made a joint contract with the bankrupt, or a person who was surety or in the nature of a surety for the bankrupt.

Third parties
not released.

217.—(1) Where a bankrupt after obtaining a discharge fails to perform the duties imposed on him by this Act, the Court may, on application, annul the discharge.

Court may
annul dis-
charge the
bankrupt.

(2) Where it appears to the Court that the discharge of a bankrupt was obtained by fraud, the Court may, on application, annul the discharge.

(3) An order revoking or annulling the discharge of a bankrupt does not prejudice the validity of a sale, disposition of property, payment made or thing duly done before the revocation or annulment of the discharge.

218.—(1) Where in the opinion of the Court a receiving order ought not to have been made or an assignment ought not to have been filed, the Court may by order annul the bankruptcy.

Court may
annul
bankruptcy.

(2) Where an order is made under subsection (1), all sales, dispositions of property, payments duly made and acts done theretofore by the trustee or other person acting under his authority, or by the Court, are valid, but the property of the bankrupt shall vest in such person as the Court may appoint or, in default of that appointment, without any conveyance or assignment whatever revert to and re-vest in the debtor for all his estate and interest in the property upon such terms and subject to such conditions, if any, as the Court may order.

219. An order of discharge or annulment of discharge shall be dated on the day on which it is made, but it shall not be issued or delivered until the expiration of the time allowed for an appeal, and, if an appeal is entered, not until the appeal has been finally disposed of.

Issuance of
orders to be
delayed.

PART IX. *Administration**Supervisor*Appointment
of Supervisor.

220. For the purposes of this Act, there shall be a Supervisor of Insolvency, who shall be a public officer designated by the Minister as such .

Functions of
Supervisor.

221.—(1) The Supervisor shall regulate the licensing of trustees and supervise the administration of all estates and matters to which this Act applies.

(2) The Supervisor shall, without limiting the authority conferred by subsection (1)—

- (a) receive applications for licences to act as trustees under this Act and issue licences to persons whose applications have been approved;
- (b) where not otherwise provided for, require the deposit of one or more continuing guarantee bonds as security for the due accounting of all property received by trustees and for the due and faithful performance by the trustees of their duties in the administration of estates to which they are appointed, in such amount as the Minister may, by order prescribe, and—
 - (i) which amount may be increased or decreased as he may deem expedient;
 - (ii) the security shall be in a form satisfactory to the Supervisor;
 - (iii) may be enforced by the Supervisor for the benefit of the creditors;
- (c) from time to time, make or cause to be made such inspection or investigation of estates or other matters to which this Act applies, including the conduct of a trustee or a trustee acting as a receiver or interim receiver, as the Supervisor may deem expedient, and for the purpose of the inspection or investigation the Supervisor or any person appointed by the Supervisor for the purpose shall have access to

and the right to examine and make copies of all books and records pertaining or relating to any estate or other matter to which this Act applies;

- (d) receive and keep a record of all complaints from any creditor or other person interested in any estate and make such specific investigations with regard to such complaints as the Supervisor may determine; and
- (e) examine trustees' accounts of receipts and disbursements and final statements.

(3) The Supervisor may intervene in any matter or proceedings in Court, where the Supervisor considers it expedient to do so, as if the Supervisor were a party to the matter or proceedings.

222.—(1) The Supervisor, or anyone duly authorized by him in writing on his behalf, is entitled to have access to and to examine and make copies of the banking accounts of a trustee in which estate funds may have been deposited, and, when required, all deposit slips, cancelled cheques or other documents relating to the banking accounts in the custody of the bank or the trustee shall be produced for examination.

Access to trustee's accounts.

(2) The Supervisor, or anyone duly authorized in writing by or on behalf of the Supervisor, may, with the leave of the Court granted on an application without notice examine the books, records and deposit accounts of a trustee or any other person designated in the order granting that leave for the purpose of tracing or discovering the property or funds of an estate when there are reasonable grounds to believe or suspect that the property or funds of an estate have not been properly disclosed or dealt with and for that purpose may under a warrant from the Court enter on and search any premises.

(3) Where the Supervisor, on application without notice, satisfies the Court that it is necessary and in the public interest to do so, the Court may issue an order directing a deposit-taking institution that holds a deposit account of a trustee or such other

person as is designated in the order not to make payments out of the account until such time as the Court otherwise directs.

Suspected
offences.

223.—(1) Where, on information supplied by a trustee or other person, the Supervisor suspects on reasonable grounds that a person has, in connection with any estate or matter to which this Act applies, committed an offence under this Act or any other Act, the Supervisor may, if it appears to the Supervisor that the alleged offence might not otherwise be investigated, make or cause to be made such enquiries or investigations as the Supervisor deems expedient with respect to—

- (a) the conduct, dealings and transactions of the debtor concerned;
- (b) the causes of the bankruptcy or insolvency of the debtor; and
- (c) the disposition of the property of the debtor.

(2) Where, on the application of the Supervisor or the Supervisor's authorized representative, a subpoena has been issued by the Court, the Supervisor may, for the purpose of an investigation under subsection (1), examine or cause to be examined under oath before the Registrar or other authorized person—

- (a) the debtor;
- (b) any person the Supervisor suspects, on reasonable grounds, has knowledge of the affairs of the debtor; or
- (c) any person who is or has been an agent, clerk, officer, director, or employee of the debtor, with respect to—
 - (i) the conduct, dealings, and transactions of the debtor;
 - (ii) the causes of the bankruptcy or insolvency of the debtor; and
 - (iii) the disposition of the property of the debtor,

under his control relating to the debtor and the conduct, dealings and transactions of the debtor or the disposition of the debtor's property.

(3) A person being examined pursuant to this section is bound to answer all questions relating to the conduct, dealings and transactions of the debtor, the causes of the debtor's bankruptcy or insolvency and the disposition of the debtor's property.

(4) A statement or admission made by any person in any compulsory examination or deposition before the Court on the hearing of any matter in bankruptcy shall not be admissible as evidence against that person in any proceeding in respect of any offence under any other law.

(5) No person shall hinder, molest or interfere with any person doing anything that he is authorized by or pursuant to this section to do, or prevent or attempt to prevent any person doing any such thing, and, notwithstanding any other provision law, every person shall, unless he is unable to do so, do everything he is required by or pursuant to this section to do.

(6) Where any book, record or other document is examined or produced in accordance with this section, the person by whom it is examined or to whom it is produced or the Supervisor may make or cause to be made one or more copies thereof, and a document purporting to be certified by the Supervisor or a person authorized by the Supervisor to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have if it were proven in the ordinary way.

(7) Notwithstanding section 126, a recovery made as the result of any inquiries or investigation made or caused to be made pursuant to this section shall be applied to the reimbursement of any costs and expenses incurred by the Supervisor on the recovery, not being ordinary costs or expenses of the office of the Supervisor,

and the balance remaining in respect of the recovery shall be made available for the benefit of the creditors of the debtor.

Public Records

Maintenance
of public
records.

224.—(1) The Supervisor shall keep, or shall cause to be kept, in such form as the Supervisor deems appropriate and for a period of five years or such other period that may be prescribed, a public record of—

- (a) proposals;
- (b) bankruptcy orders;
- (c) licences issued to trustees by the Supervisor; and
- (d) notices sent to the Supervisor by receivers pursuant to section 21,

and, on request for any of the records and on payment of such fee as may be prescribed, shall provide, or cause to be provided, any information contained in that record.

(2) The Supervisor shall keep, or cause to be kept, in such form as the Supervisor deems appropriate and for the prescribed period, such other records relating to the administration of this Act as the Supervisor deems necessary.

Government Trustee

Government
Trustees.

225.—(1) The Governor-General shall appoint—

- (a) a fit and proper person to be Government Trustee in the Supreme Court and the Resident Magistrates' Courts throughout the Island who shall administer the estates of debtors subject to the provisions of this Act, and any enactment relating to bankruptcy; and
- (b) other persons as may, from time to time, be necessary to assist with the functions of the office of the Government Trustee.

(2) The Minister shall provide the Government Trustee with a suitable office and all expenses of that office including the

salary of the Trustee and all reasonable expenses incurred by him in the performance of his functions shall be defrayed out of the Consolidated Fund.

(3) The Government Trustee shall have the powers exercisable by the trustees licensed under this Act.

226. All commissions, fees and remuneration other than salary payable to, or receivable by the Government Trustee under and in pursuance of the provisions of this Act shall, as the same are received by him, be paid into the Consolidated Fund and shall form part of the Consolidated Fund.

Commissions and fees to be paid into Consolidated Fund.

227. When in the performance of his functions the Trustee has incurred any expense or made himself liable to any claim or demand, and there is no fund out of which the Government Trustee may or can lawfully reimburse himself, then on any Judge or Resident Magistrate, as the case may be, certifying that such expense was properly incurred or that such liability was properly undertaken as aforesaid, the Minister may order that such expenses shall be reimbursed out of, or such liability be provided for from the Consolidated Fund.

Reimbursement of expenses of Government Trustee.

Licensing of Trustees

228.—(1) A person who wishes to obtain a licence to act as a trustee shall submit to the Supervisor an application in the prescribed form accompanied by the prescribed fees.

Applications for licence as trustee.

(2) The Supervisor, after such investigation concerning an applicant for a licence to act as a trustee as the Supervisor considers necessary, may issue the licence if the Supervisor having regard to the qualifications prescribed is satisfied that the applicant is qualified to obtain the licence.

(3) Subject to section 231, a licence issued under this section shall be valid for five years.

229. A licence shall be in the prescribed form and shall be subject to such conditions and limitations as are specified by the Supervisor in the licence subject to the approval of the Minister.

Form of Licence.

Payment of
fees.

230. Prior to the issue of a licence, the applicant shall pay such initial licensing fees as may be prescribed and thereafter on the 31st day of December following the day on which a licence is issued, and on the 31st day of December in each year thereafter, the trustee shall pay such licence renewal fees as may be prescribed.

Validity can-
cellation and
suspension of
trustee licence.

231.—(1) A licence ceases to be valid—

- (a) on the failure of the trustee to pay a fee in accordance with section 230; or
- (b) if the trustee becomes bankrupt.

(2) Where a licence has ceased to be valid by reason of—

- (a) failure to pay fees, the Supervisor shall reinstate the trustee where the trustee pays the outstanding fees together with any penalty amount prescribed and provides a reasonable written explanation of the failure to pay the fees in accordance with section 230; or
- (b) the trustee becoming bankrupt, the Supervisor shall, on written representations made by the trustee, reinstate the licence subject to such conditions and limitations as the Supervisor considers appropriate and shall specify in that licence.

(3) Subject to subsection (4), the Supervisor may suspend or cancel a licence where—

- (a) the trustee is convicted of an indictable offence;
- (b) the trustee has failed to comply with any of the conditions or limitations to which the licence is subject;
- (c) the trustee has ceased to carry out the functions of, act as a trustee; or
- (d) the trustee so requests.

(4) Where the supervisor proposes to act under subsection (3), he shall give to the trustee notice thereof in writing setting out the reasons of the Supervisor for the decision, at least ten days before the date that the decision is intended to take effect.

(5) Where a licence ceases to be valid by virtue of subsection (1) or is suspended or cancelled under subsection (3), the Supervisor may impose on the trustee such requirements as the Supervisor considers appropriate, including a requirement that the trustee deposit security for the protection of an estate.

Conduct of Trustees

232.—(1) Except with the permission of the Court and on such conditions as the Court may impose, no trustee shall act as trustee in relation to the estate of a debtor—

Trustee prohibited from acting in specified circumstances.

(a) where the trustee is, or at any time during the two preceding years was—

- (i) a director or officer of the debtor;
- (ii) an employer or employee of the debtor or of a director or officer of the debtor;
- (iii) an immediate, a relative of the debtor or to any director or officer of the debtor; or
- (iv) the auditor, accountant or attorney, or a partner or employee of the auditor, accountant or attorney, of the debtor; or

(b) where the trustee is—

- (i) the trustee under a trust indenture issued by the debtor or any person related to the debtor; or
- (ii) an immediate a relative of the trustee under a trust indenture referred to in sub-paragraph (i).

(2) No trustee shall act as a trustee in relation to the estate of a debtor where the trustee is already—

- (a) the trustee in the bankruptcy of, or in a proposal concerning, any person related to the debtor; or

- (b) the receiver or the liquidator of the property of any person related to the debtor,

without making, at the time of being appointed as trustee in relation to the estate of the debtor and at the first meeting of creditors, full disclosure of that fact and of the potential conflict of interest.

Code of Ethics.

233. A trustee shall comply with such code of ethics respecting the conduct of trustees as may be prescribed.

Cancelled licences.

234. A trustee shall not engage the services of a person whose trustee licence has been cancelled under section 231 (3) (a) or 236(1).

Appointment and Substitution of Trustees

Appointment or substitution of trustee by creditors .

235. The creditors may, at any meeting by special resolution, appoint or substitute another licensed trustee for the trustee named in an assignment, receiving order or proposal, or otherwise appointed or substituted under this Act.

Rights of Supervisor where questionable trustee conduct.

236.—(1) Where, after making an investigation into the conduct of a trustee, it appears to the Supervisor that—

- (a) a trustee has not properly performed the duties of a trustee or has been guilty of any improper management of an estate;
- (b) a trustee has not fully complied with this Act, or any law with regard to the proper administration of any estate; or
- (c) it is in the public interest to do so, the Supervisor may do one or more of the following—
 - (i) cancel or suspend the licence of the trustee;
 - (ii) place such conditions or limitations on the licence as the Supervisor considers appropriate including a requirement that the trustee successfully take an examination or enroll in a proficiency course; and

- (iii) require the trustee to make restitution to the estate of such amount of money as the estate has been deprived of as a result of the trustee's conduct.

(2) This section and section 237 apply, in so far as they are applicable, in respect of former trustees, with such modifications as the circumstances require.

237.—(1) Where the Supervisor intends to exercise any of the powers referred to in section 236(1), the Supervisor shall send the trustee written notice of the powers that the Supervisor intends to exercise and the reasons therefor and afford the trustee a reasonable opportunity for a hearing.

Hearing prior
to action
under section
236.

(2) At a hearing referred to in subsection (1), the Supervisor—

- (a) has power to administer oaths;
- (b) shall be bound by such rules as are prescribed in this regard or in the absence of such rules, procedures established in Jamaica for the conduct of hearings;
- (c) shall deal with the matters set out in the notice of the hearing as informally and as expeditiously as the circumstances and a consideration of fairness permit; and
- (d) shall cause a summary of any oral evidence to be made in writing.

(3) The notice referred to in subsection (1) and, where applicable, the summary of oral evidence referred to in subsection (2)(c), together with such documentary evidence as the Supervisor receives in evidence, form the record of the hearing.

(4) The record and the hearing referred to in subsection (3) are public, unless the Supervisor is satisfied that personal or other matters that may be disclosed are of such a nature that the desirability of avoiding public disclosure of those matters, in the interest of a third party or in the public interest, outweighs the desirability of the access by the public to information about those matters.

(5) The decision of the Supervisor after a hearing referred to in subsection (1), together with the reasons given for the hearing, shall be given in writing to the trustee not later than thirty days after the conclusion of the hearing; and the decision shall be public.

(6) Any decision of the Supervisor may on application to the Court be reviewed, set aside or confirmed.

Protection of
estate by
Supervisor.

238.—(1) The Supervisor may, for the protection of an estate in the circumstances referred to in subsection (2)—

- (a) direct a person to deal with property of the estate described in the direction in such manner as may be indicated in the direction, including the continuation of the administration of the estate;
- (b) direct any person to take such steps as the Supervisor considers necessary to preserve the books and records of the estate;
- (c) direct a bank or other depository not to pay out funds held to the credit of the estate except in accordance with the direction; and
- (d) where action in respect of a trustee is being taken under section 231(4) or 221, refuse to appoint the trustee in respect of any new estates until a decision in respect of the trustee is made.

(2) The circumstances in which the Supervisor is authorized to exercise the powers set out in subsection (1) are, where—

- (a) an estate is left without a trustee by the death, removal or incapacity of the trustee;
- (b) the Supervisor makes or causes to be made any investigation pursuant to paragraph (c) of subsection (3) of section 221;
- (c) the Supervisor exercises any of the powers set out in section 236;
- (d) the fees referred to in subsection (1) of section 230 have not been paid in respect of the licence of a trustee;

- (e) a trustee becomes insolvent;
- (f) a trustee is convicted of an indictable offence or has failed to comply with any of the conditions or limitations to which the trustee's licence is subject; or
- (g) a circumstance referred to in paragraph (c) or (d) of subsection (5) of section 230 exists and the Supervisor is considering cancelling the licence under that subsection.

(3) A direction given pursuant to subsection (1)—

- (a) shall state the statutory authority pursuant to which the direction is given;
- (b) is binding on the person to whom it is given; and
- (c) is, in favour of the person to whom it is given, conclusive proof of the facts set out in the direction.

(4) A person who complies with a direction given pursuant to subsection (1) is not liable for any act done by the person only in compliance with that direction.

239. The Court on the application of any interested person, may for cause, remove a trustee and appoint another licensed trustee in the trustee's place.

Court removal of trustee.

240. Where no licensed trustee can be found who is willing to act as trustee, the Court or the Supervisor shall appoint the Government Trustee to administer the estate of the debtor.

Government Trustee to act where no licensed trustee to do so.

241. No defect or irregularity in the appointment of a trustee vitiates any act done by the trustee in good faith.

Acts done in good faith.

Corporations as Trustees

242. A body corporate may hold a licence as trustee only if a majority of its directors and officers all hold licenses as trustees and a majority of its officers hold licences as trustees.

Corporate trustee.

243. A body corporate that holds a licence as a trustee may perform the duties and exercise the powers of a trustee only through

Acts by corporate trustee.

a director or officer of the body corporate who holds a licence as a trustee.

Corporate trustee not a trust company.

244. A body corporate that is incorporated by or under an Act of Parliament and that holds a licence as a trustee may carry on the business of a trustee and shall not, in respect of its operations as a trustee, be construed to be carrying on the business of a trust company.

Official Name

Official name.

245. The official name of a trustee acting in bankruptcy proceedings is “The Trustee of the Estate of (*insert name of the bankrupt*), a bankrupt”, and the official name of a trustee acting with respect to a proposal by an insolvent person is “The Trustee acting in *re* the proposal of (*insert the name of the debtor*)”.

Duties and Powers of Trustees

Duty to act.

246. No trustee is bound to assume the duties of trustee in matters relating to assignments, receiving orders or proposals, but having accepted an appointment in relation to those matters the trustee shall, until discharged or another trustee is appointed in the place of the trustee, perform the duties required of a trustee under this Act.

Trustee to give security.

247.—(1) Every trustee duly appointed shall forthwith give security, in cash or by performance bond or professional indemnity insurance, satisfactory to the Supervisor for the due accounting for, the payment and the transfer of all property received by the trustee as trustee and for the due and faithful performance of the duties of the trustee.

(2) The security required to be given under subsection (1) shall be deposited with the Supervisor, shall be given in favour of the creditors generally and may be enforced by any succeeding trustee or by one of the creditors on behalf of all by direction of the Court, and may be varied by the Supervisor.

(3) The trustee shall, as soon as possible, take possession of the deeds, books and records, and all property of the bankrupt

and make an inventory, and for the purpose of making an inventory the trustee is entitled to enter, subject to subsection (4), on any premises on which the deeds, books and records, or property of the bankrupt may be, notwithstanding that they may be in the possession of a bailiff, a secured creditor or other claimant to the deeds, books, records or property of the bankrupt.

(4) Where the premises referred to in subsection (3) are occupied by a person other than the bankrupt, the trustee may not enter the premises without the consent of that other person except under the authority of a warrant issued under section 222.

(5) The trustee shall, in relation to and for the purpose of acquiring or retaining possession of the property of the bankrupt, be in the same position as if the trustee were appointed by the Court as a receiver of the property, and the Court may on the application of the trustee, enforce the acquisition or retention accordingly.

(6) No person is, as against the trustee, entitled to withhold possession of the books and records belonging to the bankrupt or to set up any lien or right of retention on those books and records.

248. Where a person has in his possession or power any property of the bankrupt that he is not by law entitled to retain as against the bankrupt or the trustee, that person shall deliver the property to the trustee. Delivery of property to trustee.

249. The trustee may when necessary in the interests of the estate of the bankrupt— Protective measures.

- (a) take conservatory measures and summarily dispose of property that is perishable or likely to depreciate rapidly in value; and
- (b) carry on the business of the bankrupt until the date fixed for the first meeting of creditors.

250.—(1) The trustee may prior to the first meeting of creditors, obtain such legal advice and take such Court proceedings as the Legal proceedings to protect estate.

trustee may consider necessary for the recovery or protection of the property of the bankrupt.

(2) In the case of an emergency where the necessary authority cannot be obtained from the inspectors in time to take appropriate action, the trustee may obtain such legal advice and institute such legal proceedings and take such action as the trustee may deem necessary in the interests of the estate of the bankrupt.

(3) The trustee shall verify the bankrupt's statement of affairs.

Divesting of
real property.

251.—(1) The trustee may, with the permission of the inspectors, divest all or any part of the trustee's right, title or interest in any real property of the bankrupt by a notice of quit claim or renunciation.

(2) The Registrar of Titles shall accept and register in the Register Book of titles the notice given under subsection (1) when tendered for registration.

(3) Registration of a notice under subsections (1) and (2) shall operate as a discharge or release of any documents previously registered in the Register Book of titles by or on behalf of the trustee with respect to the property referred to in the notice.

Initiation of
criminal
proceedings.

252. The trustee may initiate such criminal proceedings as may be authorized by the creditors, the inspectors or the Court against any person believed to have committed an offence under this Act.

Returns.

253. The trustee is not liable to make any return that the bankrupt was required to make more than one year prior to the commencement of the calendar year, or the fiscal year of the bankrupt where that is different from the calendar year, in which he became bankrupt.

Regulators
empowered to
review
records.

254. The trustee shall at all reasonable times permit any duly authorized person or regulatory authority to inspect the books and records of the bankrupt in order to prepare or verify returns that the bankrupt is by law required to file.

255.—(1) The trustee shall forthwith temporarily insure and keep insured in the official name of the trustee all the insurable property of the bankrupt, for such amount and against such hazards as the trustee may deem advisable until the inspectors are appointed; and the inspectors shall determine the amount for which and the hazards against which the bankrupt's property shall be insured by the trustee. Insure property.

(2) All insurance covering property of the bankrupt that is in force at the date of bankruptcy shall in the event of loss suffered, without any notice to the insurer or other action on the part of the trustee and notwithstanding any enactment or rule of law, contract or other provision to a contrary effect, become payable immediately to the trustee as if the name of the trustee were written in the policy or contract of insurance as that of the insured or as if no change of title or ownership had come about and the trustee were the insured.

256.—(1) Subject to subsections (2) and (3), a trustee shall forthwith deposit all monies received for an estate in a separate trust account for each estate. Deposits.

(2) The trustee shall deposit monies pursuant to subsection (1) in a deposit-taking institution licensed under the Financial Institutions Act or in a bank .

(3) Where monies referred to in subsection (1) are situated in a country other than Jamaica, the trustee may, where authorized by the Supervisor, deposit the monies in a financial institution in that country that is similar to a bank.

(4) The trustee shall not withdraw any money from the trust account of an estate without the permission in writing of the inspectors or, on application, the Court, except for the payment of dividends and charges incidental to the administration of the estate.

(5) All payments made by a trustee under subsection (1) shall be made by cheque drawn on the estate account or in such manner as may be specified by the Supervisor.

(6) The trustee shall not deposit any sums received by the trustee in the trustee's official capacity in any banking account kept by the trustee for personal or private use.

(7) Any interest recoverable in respect of the account shall be part of the assets of the estate.

Maintenance
of books and
records.

257.—(1) The trustee shall keep proper books and records of the administration of each estate to which the trustee is appointed, in which shall be entered—

- (a) a record of all monies received or disbursed by the trustee;
- (b) a list of all creditors filing claims;
- (c) the amount and disposition of those claims;
- (d) a copy of all notices sent out;
- (e) the original signed copy of all minutes, proceedings had, and resolutions passed at any meeting of creditors or inspectors;
- (f) court orders; and
- (g) all such other matters or proceedings as may be necessary to give a complete account of the trustee's administration of the estate.

(2) The estate books and records relating to the administration of an estate are deemed to be the property of the estate, and, in the event of any change of trustee, shall forthwith be delivered to the substituted trustee.

(3) The trustee shall permit the books and records referred to in subsection (2) to be inspected, and copies of those books and records to be made, at any reasonable time, by the Supervisor, the bankrupt, or any creditor or their agents.

Reporting by
trustee.

258.—(1) The trustee shall report in writing—

- (a) when required by the inspectors, to every creditor;
- (b) when required by any specific creditor, to the creditor; and
- (c) when required by the Supervisor, to the Supervisor or the creditors,

showing the condition of the bankrupt's estate, the monies on hand, if any, and particulars of any property sold or remaining unsold.

(2) The trustee is entitled to charge against the estate of the bankrupt, for the preparation and delivery of any report referred to in subsection (1), only the trustee's actual disbursements.

259.—(1) The trustee shall, forthwith after the receipt or preparation of the documents referred to in section 186—

Documents to be provided to Supervisor.

- (a) send them to the Supervisor along with a true copy of—
 - (i) the notice referred to in section 126;
 - (ii) the statement referred to in paragraph (e) of section 194;
 - (iii) the trustee's final statement of receipts and disbursements and the dividend sheet; and
 - (iv) every order made by the Court on the application for discharge of a bankrupt or for annulling any bankruptcy; and
- (b) file a copy of the documents referred to in paragraphs (ii) and (iii) in the Court.

(2) The trustee shall forward promptly to the Supervisor copies of all notices, reports and statements sent by the trustee to the creditors and, when required, copies of such other documents as the Supervisor may specify.

260.—(1) Where—

- (a) the licence of a trustee has been cancelled or suspended, or has ceased to be valid by reason of failure to pay fees;
- (b) a trustee has been removed from continuing the administration of an estate; or
- (c) an individual trustee dies or becomes incapacitated, the trustee or the legal representative of the trustee shall, within such time as is fixed by the Supervisor—
 - (i) prepare and forward to the Supervisor a detailed financial statement of the receipts and

Report to Supervisor where trustee no longer acting.

disbursements together with a list of and report on the unadministered property of every estate under the administration of the trustee for which the trustee has not been discharged; and

- (ii) shall forward to such other trustee as may be appointed in the place of the trustee or, pending the appointment of the other trustee, to the Supervisor, all the remaining property of every estate under the administration together with all the books and records relating thereto.

(2) Every trustee before proceeding to the discharge relating to the estate under his administration shall, unless the trustee has already done so, prepare and file the report referred to in section 207 and forward a copy to the Supervisor.

Permission to
take specified
action.

261.—(1) The trustee may, with the permission of the inspectors, do all or any of the following things—

- (a) for such price or other consideration as the inspectors may approve sell or otherwise dispose of all or any part of the property of the bankrupt, including the goodwill of the business, if any, and the book debts due or falling due to the bankrupt, by tender, public auction or private contract, with power to transfer the whole of the property to any person or to sell the same in parcels;
- (b) lease any real property;
- (c) carry on the business of the bankrupt, in so far as may be necessary for the beneficial administration of the estate of the bankrupt;
- (d) bring, institute or defend any action or other legal proceeding relating to the property of the bankrupt;
- (e) employ an attorney or other agent to take any proceedings or do any business that may be sanctioned by the inspectors;

- (f) accept as the consideration for the sale of any property of the bankrupt a sum of money payable at a future time, subject to such stipulations as to security and otherwise as the inspectors think fit;
- (g) incur obligations, borrow money and give security on any property of the bankrupt by mortgage, charge, assignment, pledge or otherwise, and the obligations and money borrowed shall be discharged or repaid with interest out of the property of the bankrupt in priority to the claims of the creditors;
- (h) compromise and settle any debts owing to the bankrupt;
- (i) compromise any claim made by or against the estate;
- (j) assign or transfer to a particular creditor, or divide in its existing form among the creditors, according to its estimated value, any property that from its particular nature or other special circumstances cannot be readily or advantageously sold;
- (k) disclaim any property which, by its own state or nature is onerous or, binds the bankrupt to the performance of any onerous act or to the payment of any sum of money;
- (l) elect to retain for the whole part of its unexpired term, or to assign, surrender, disclaim any lease of, or other temporary interest in, any property of the bankrupt; and
- (m) appoint the bankrupt to aid in administering the estate of the bankrupt in such manner and on such terms as the inspectors may direct.

(2) Permission given for the purposes of subsection (1) is not a general permission to do all or any of the things mentioned in that subsection, but is only a permission to do the particular thing or things or class of thing or things that the permission specifies.

262.—(1) With the permission of the Court, an interim-receiver or trustee, may prior to the appointment of inspectors, make Power to make advances, borrow, etc.

necessary or advisable advances, incur obligations, borrow money and give security on the property of the debtor in such amounts, on such terms and on such property as may be authorized by the Court; and those advances, obligations and moneys borrowed shall be repaid out of the property of the debtor in priority to the claims of the creditors.

(2) The creditors or inspectors may by resolution limit—

- (a) the amount of the obligations that may be incurred; and
- (b) the advances that may be made or moneys that may be borrowed by the trustee and may limit the period of time during which the business of the bankrupt may be carried on by the trustee.

(3) All debts incurred and credit received in carrying the business of a bankrupt are deemed to be debts incurred and credit received by the estate of the bankrupt.

Trustee not
required to
operate
business.

263. The trustee is not under any obligation to carry on the business of the bankrupt—

- (a) where in the trustee's opinion the realizable value of the property of the bankrupt is insufficient to protect the trustee fully against possible loss occasioned by so doing; and
- (b) the creditors or inspectors, on demand made by the trustee, neglect or refuse to secure the trustee against such possible loss.

Order for sale
of assets.

264.—(1) The Court may make an order providing for the sale of any or all of the assets of the estate of the bankrupt, either by tender, private sale or public auction, setting out the terms and conditions of the sale and directing that the proceeds from the sale shall be used for the purpose of reimbursing the trustee in respect of any costs that may be owing to the trustee or of any moneys that the trustee may have advanced for the benefit of the estate.

(2) If no bid is received for the assets of the estate of the bankrupt sufficient to reimburse the trustee, the Court may make an

order vesting in the trustee personally all assets of the estate and on the making of the order the rights to the assets and interests of the creditors and of the bankrupt to the assets, shall be determined and ended.

265.—(1) A trustee may apply to the Court for directions in relation to any matter affecting the administration of the estate of a bankrupt and the Court shall give in writing such directions, if any, as appears to be proper in the circumstances.

Application
for directions
by trustee.

(2) Where an estate has not been fully administered within three years after the bankruptcy, the trustee shall report that fact to the Court as soon as practicable thereafter, and the Court shall make such order as it considers fit to expedite the administration of the estate.

266.—(1) Subject to subsection (2), the trustee may, by sending to the Postmaster General—

Redirection of
mail.

- (a) a notice in the prescribed form; and
- (b) a copy of the trustee's certificate of appointment,

request that any mail addressed to a bankrupt that is directed to any place referred to in the notice be redirected or sent by the Postmaster General to the trustee or to such other person as the trustee may designate; and when the Postmaster General receives those documents, he shall so redirect or send that mail.

(2) A notice referred to in subsection (1) may refer to a bankrupt's residence only where the trustee has, on application, obtained permission from the Court.

(3) Where a bankrupt is an individual, a notice referred to in subsection (1) is operative only during the three-month period immediately following the date of bankruptcy unless the Court, on application, extends that period on such terms as the Court considers fit.

267.—(1) On the appointment of a substituted trustee, the former trustee shall forthwith pass his or its accounts before the Court and

Former trustee
to pass
accounts.

deliver to the substituted trustee all the property of the estate, together with all books and records of the bankrupt and of those relating to the administration of the estate.

(2) A substituted trustee shall—

- (a) if appointed by the creditors, file with the Court a copy of the minutes of the meeting at which the substituted trustee was appointed signed by the Chairman;
- (b) notify the Supervisor of the appointment of the substituted trustee;
- (c) if required by the inspectors, register a notice of the appointment in the land register of any land titles or registry office where the assignment or receiving order has been registered; and
- (d) as soon as funds are available, pay to the former trustee such remuneration and disbursements as approved by the Court.

Application to
Court by
aggrieved
party.

268. Where the bankrupt or any of the creditors or any other person is aggrieved by any act or decision of the trustee, the aggrieved person may apply to the Court and the Court may confirm, reverse or modify the act or decision complained of and make such other order in the premises as it thinks just.

Trustee
refusing to act.

269.—(1) Where a creditor requests the trustee to take any proceedings that in his opinion would be for the benefit of the estate of a bankrupt and the trustee refuses or neglects to take the proceedings, the creditor may obtain from the Court an order authorizing him to take the proceedings in his own name and at his own expense and risk, on notice being given to the other creditors of the contemplated proceeding, and on such other terms and conditions as the Court may direct.

(2) On an order under subsection (1) being made, the right, title and interest in the *chose-in-action* or subject matter of the proceeding, including any document in support of the *chose-in-action* or proceedings shall vest in the creditor.

(3) Any benefit derived from a proceeding taken pursuant to subsection (1), to the extent of his claim and the costs, belongs exclusively to the creditor instituting the proceedings, and the surplus, if any, belongs to the estate.

(4) Where, before an order is made under subsection (1), the trustee, with the permission of the inspectors, signifies to the Court his readiness to institute the proceedings for the benefit of the creditors, the order shall fix the time within which he shall do so, and in that case the benefit derived from the proceedings, if instituted within the time so fixed, belongs to the estate.

270.—(1) In subsections (2) to (8), a reference to a trustee means a trustee in a bankruptcy or proposal and includes an interim receiver or a receiver.

Duties of
Trustee to
remedy
environmental
conditions or
damage.

(2) Notwithstanding anything in any law, where a trustee carries on in that position the business of the debtor or continues the employment of the debtor's employees, the trustee is not by reason of that fact personally liable in respect of any claim against the debtor or related to a requirement imposed on the debtor to pay an amount where the claim arose before or upon the trustee's appointment.

(3) A claim referred to in subsection (2) shall not rank as costs of administration.

(4) Notwithstanding anything in any law, a trustee is not personally liable in that position for any environmental condition that arose or environmental damage that occurred—

- (a) before the trustee's appointment; or
- (b) after the trustee's appointment, unless it is established that the condition arose or the damage occurred as a result of the trustee's negligence or misconduct.

(5) Nothing in subsection (6) exempts a trustee from any duty to report or make disclosure imposed by a law referred to in that subsection.

(6) Notwithstanding anything in any law but subject to subsection (4), where an order is made which has the effect of requiring a trustee to remedy any environmental condition or environmental damage affecting property involved in a bankruptcy, proposal or receivership, the trustee is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order—

- (a) where, within such time as is specified in the order and where no time is specified, within ten days after the order is made, within ten days after the appointment of the trustee, if the order is in effect when the trustee is appointed, or during the period of the stay referred to in paragraph (b), the trustee—
 - (i) complies with the order; or
 - (ii) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (b) where during the period of a stay of the order granted, on application made within the time specified in the order referred to in paragraph (a), within ten days after the order is made or within ten days after the appointment of the trustee, where the order is in effect when the trustee is appointed, to—
 - (i) the Court or body having jurisdiction under the law pursuant to which the order was made to enable the trustee to contest the order; or
 - (ii) the Court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (c) if the trustee had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

(7) The Court may grant a stay of the order referred to in subsection (6) on such notice and for such period as the Court deems necessary for the purpose of enabling the trustee to assess the economic viability of complying with the order.

(8) Where the trustee has abandoned or renounced any interest in real property affected by the environmental condition or environmental damage, claims for costs of remedying the condition or damage shall not rank as costs of administration.

(9) Any claim by the Crown against the debtor in a bankruptcy, proposal or receivership for costs of remedying any environmental condition or environmental damage affecting real property of the debtor is secured by a charge on the real property and on any other real property of the debtor that is contiguous thereto and that is related to the activity that caused the environmental condition or environmental damage, and the charge—

- (a) is enforceable in the same way as a mortgage or other security on real property; and
- (b) ranks above any other claim, right or charge against the property, notwithstanding any other provision of this Act or anything in any other law.

(10) Notwithstanding section 155(1), a claim against a debtor in a bankruptcy or proposal for the costs of remedying any environmental condition or environmental damage affecting real property of the debtor shall be a provable claim, whether the condition arose or the damage occurred before or after the date of the filing of the proposal or the date of the bankruptcy.

Remuneration of Trustee

271.—(1) The remuneration of the trustee shall be such as is voted to the trustee by ordinary resolution at any meeting of creditors, or if the creditors resolve by ordinary resolution, by the inspectors.

(2) Where the remuneration of the trustee has not been fixed under subsection (1), the trustee shall apply to the Court for an order fixing the amount of the trustee's remuneration.

Determination
of fees.

(3) Where the business of the debtor has been carried on by the trustee or under the trustee's supervision, the trustee may be allowed such special remuneration for such services as the creditors or the inspectors may by resolution authorize, and, in the case of a proposal, such special remuneration as may be agreed to by the debtor, or in the absence of agreement with the creditors or debtor such amount as may be approved by the Court.

(4) In the case of two or more trustees acting in succession, the remuneration shall be apportioned between the trustees in accordance with the services rendered by each, and in the absence of agreement between the trustees the Court shall determine the amount payable to each.

(5) On application by the trustee, a creditor or the debtor and on notice to such parties as the Court may direct, the Court may make an order increasing or reducing the remuneration.

Discharge of Trustee

Property
incapable of
realization.

272.—(1) With the permission of the inspectors, any property of a bankrupt found incapable of realization shall be returned to the bankrupt prior to the trustee's application for discharge.

(2) Where a trustee is unable to dispose of any property as provided in this section, the Court may make such order as it may consider necessary.

Trustee to
apply for
discharge.

273.—(1) When a trustee has completed the duties required of the trustee with respect to the administration of the property of a bankrupt, the trustee shall apply to the Court for a discharge.

(2) The Court may discharge a trustee with respect to any estate on full administration thereof or, for sufficient cause, before full administration.

(3) A trustee when replaced by another trustee is entitled to be discharged if the former trustee has accounted to the satisfaction of the inspectors and the Court for all property that came to the hands of the former trustee and a period of three months has elapsed after the date of the replacement without any undisposed of claim or objection having been made by the bankrupt or any creditor.

(4) When the accounts of a trustee have been approved by the inspectors and taxed by the Court and all objections, applications and appeals have been settled or disposed of and all dividends have been paid, the estate is deemed to have been fully administered.

(5) Any interested person desiring to object to the discharge of a trustee shall, at least five days prior to the date of the hearing, file notice of objection with the Registrar setting out the reasons for the objection, and serve a copy of the notice on the trustee.

(6) The Court shall consider the objection filed under subsection (5) and may grant or withhold a discharge or give such directions as it may deem proper in the circumstances.

(7) Nothing in or done under the authority of this section relieves or discharges or shall be deemed to relieve or discharge a trustee from the results of any fraud.

(8) The discharge of a trustee discharges the trustee from all liability—

(a) in respect of any act done or default made by the trustee in the administration of the property of the bankrupt; and

(b) in relation to the trustee's conduct as trustee;

but any discharge from liability may be revoked by the Court on proof that it was obtained by fraud or by suppression or concealment of any material fact.

(9) Nothing in subsection (8) shall be construed to prevent an investigation or a proceeding in respect of a trustee under section 236(1).

(10) The discharge of a trustee under this section operates as are lease of the security provided pursuant to section 247(1).

(11) Notwithstanding his discharge, the former trustee shall perform such duties as may be incidental to the full administration of the estate.

(12) The Court, on being satisfied that there are assets that have not been realized or distributed, may, on the application of any interested person, appoint a trustee to complete the administration of the estate of the bankrupt; and the trustee shall be governed by the provisions of this Act, in so far as they are applicable.

PART X. *Courts and Procedure*

Jurisdiction of Courts

Jurisdiction of
Supreme
Court.

274. The Court shall, have and exercise jurisdiction in respect of bankrupts and matters of insolvency, and such jurisdiction shall be exercised under and subject to this Act and any other enactment relating to Bankruptcy and Insolvency Act.

Title of
insolvency
matters.

275.—(1) Every document used in the filing of a proposal before bankruptcy must be entitled “In the Matter of the Proposal of...”.

(2) Every document used in the course of a receivership must be entitled “In the Matter of the Receivership of...”.

General power
of Court.

276. Subject to this Act, the Court shall have full power to decide all questions of priorities and all other questions whatsoever, whether of law or fact, that may arise in any case of insolvency coming within the cognizance of the Court or which the Court may deem it expedient or necessary to decide for the purpose of doing complete justice or making a complete distribution of property in any such case.

Proceeding
not invalidated
by defect or
irregularity.

277. No proceeding in bankruptcy shall be invalidated by any formal defect or by any irregularity, unless the court before which an objection is made to the proceeding is of the opinion that substantial injustice has been caused by the defect or irregularity and that the injustice cannot be remedied by any order of that court.

Court may
review,
rescind, or
vary order.

278.—(1) The Court may review, rescind or vary any order made by it under its jurisdiction in insolvency.

(2) The Court may at any time adjourn any proceedings before it upon such terms, if any, as it may think fit to impose.

(3) The Court may at any time amend any written process or proceeding under this Act, upon such terms, if any, as it may think fit to impose.

279.—(1) Where in the opinion of the Court the cost of preparing statements, lists of creditors or other material required by this Act to be sent with notices to creditors, or the cost of sending the material or notices, is unjustified in the circumstances, the Court may give leave to omit the material or any part thereof or to send the material or notices in such manner as the Court may direct.

Court may give leave to omit material or to send notices in alternative manner.

(2) Where by this Act the time for doing any act or thing is limited, the Court may extend the time either before or after the expiration thereof, upon such terms, if any, as the Court may think fit to impose.

280.—(1) Where on a without notice application by the trustee or interim receiver the Court is satisfied by information on oath that there are reasonable grounds to believe there is in any place or premises any property of the bankrupt, the Court may issue a warrant authorizing the trustee or interim receiver to enter and search that place or premises and to seize the property of the bankrupt, subject to such conditions as may be specified in the warrant.

Seizure of property of bankrupt.

(2) In executing a warrant under subsection (1), the trustee or interim receiver shall not use force unless the trustee or interim receiver is accompanied by a constable or officer of the Court and the use of force has been specifically authorized in the warrant.

(3) A search warrant issued under subsection (1) may be executed in the manner prescribed, or in the same manner and subject to the same privileges in and subject to which a search warrant for property supposed to be stolen may be executed according to law.

281.—(1) The Court may in any matter take the whole or any part of the evidence either orally or by interrogatories or upon affidavit or, out of Jamaica, by commission.

Evidence in Court.

(2) Any document made or used in the course of any bankruptcy proceedings or other proceedings had under this Act

shall, if it appears to be sealed with the seal of the Court having jurisdiction in insolvency, purports to be signed by any judge thereof or is certified as a true copy by the Registrar, be admissible in evidence in all legal proceedings.

(3) The production of an original document relating to any insolvency proceeding or a copy certified by the person making it as a true copy thereof or by a successor in that office of that person as a true copy of a document found among the records in his control or possession is evidence of the contents of those documents.

(4) In case of the death of the bankrupt or the spouse of a bankrupt or of a witness, whose evidence has been received by any court in any proceedings under this Act, the deposition of the deceased person purporting to be sealed under the seal of the Court, or a copy thereof purporting to be so sealed, shall be admitted as evidence of the matters therein deposed to.

Orders subject
to appeal.

282.—(1) Orders in insolvency matters shall at the instance of any person aggrieved, be subject to appeal in the same manner as other orders of the Court.

(2) Where by this Act an appeal to the Court is given against any decision of the Supervisor or trustee, the appeal shall be brought within 21 days from the time when the decision appealed against is pronounced or made.

Costs are in
the discretion
of the Court.

283. Subject to this Act, the costs of and incidental to any proceedings in Court under this Act shall be in the discretion of the Court.

Application to
Court where
default.

284. Where default is made by a trustee, debtor, or other person in obeying any order or direction given by the Court, the Supervisor or the trustee under any power conferred by this Act, in addition to any other right or remedy provided for under this Act, the Supervisor, trustee, or other interested person may apply to the Court for an order requiring such person to comply with the order or direction so given, and the Court may also, if it thinks fit, upon any such application, make an immediate order for the committal of such person.

285. Where an action or proceeding is bought by or against a trustee, or where a trustee is made a party to any action or proceeding on his application or on the application of any other party thereto, he is not personally liable for costs unless the Court otherwise directs.

Trustee not personally liable.

PART XI. *International Insolvencies*

286. In this Part —

Interpretation.

“debtor” means an insolvent person who has property in Jamaica, a bankrupt who has property in Jamaica or a person who has the status of a bankrupt under foreign law in a foreign proceeding and has property in Jamaica;

“foreign proceeding” means a judicial or administrative proceeding commenced outside Jamaica in respect of a debtor, under a law relating to bankruptcy or insolvency and dealing with the collective interests of creditors generally;

“foreign representative” means a person, other than a debtor, holding office under the law of a jurisdiction outside Jamaica who, irrespective of the person’s designation, is assigned, under the laws of the jurisdiction outside Jamaica, functions in connection with a foreign proceeding that are similar to those performed by a trustee, liquidator, administrator or receiver appointed by the Court.

287.—(1) For the purposes of this Part, where a bankruptcy, insolvency, reorganization or like order has been made in respect of a debtor in a foreign proceeding, a certified or exemplified copy of the order is, in the absence of evidence to the contrary, proof that the debtor is insolvent and proof of the appointment of the foreign representative made by the order.

Copy of order to be proof of events.

(2) Where a foreign proceeding has been commenced and a receiving order or assignment is made under this Act in respect of a debtor, the Court may, on application and on such terms as it

considers appropriate, limit the property to which the authority of the trustee extends to the property of the debtor situated in Jamaica and to such property of the debtor outside Jamaica as the Court considers can be effectively administered by the trustee.

(3) The Court may, in respect of a debtor, make such orders and grant such relief as it considers appropriate to facilitate, approve or implement arrangements that will result in a co-ordination of proceedings under this Act with any foreign proceeding.

(4) An order of the Court under this Part may be made on such terms and conditions as the Court considers appropriate in the circumstances.

(5) Nothing in this Part prevents the Court, on the application of a foreign representative or any other interested person, from applying such legal or equitable rules governing the recognition of foreign insolvency orders and assistance to foreign representatives as are not inconsistent with the provisions of this Act.

(6) Nothing in this Part requires the Court to make any order that is not in compliance with the laws of Jamaica or to enforce any order made by a foreign court.

Stay of proceedings not to apply unless proceedings taken in Jamaica.

288. A stay of proceedings that operates against creditors of a debtor in a foreign proceeding does not apply in respect of creditors who reside or carry on business in Jamaica with respect to property in Jamaica unless the stay of proceedings is the result of proceedings taken in Jamaica.

Foreign representative take certain proceedings.

289. A foreign representative may commence and continue proceedings pursuant to Parts III and V in respect of a debtor as if the foreign representative were a creditor, trustee, liquidator or receiver of property of the debtor, or the debtor.

Court may seek aid of foreign authority.

290.—(1) The Court may seek the aid and assistance of a court, tribunal or other authority in a foreign proceeding by order or written request or otherwise as the Court considers appropriate.

(2) On application by a foreign representative in respect of a foreign proceeding commenced for the purpose of effecting a composition, an extension of time or a scheme of arrangement in respect of a debtor or in respect of the bankruptcy of a debtor, the Court may grant a stay of proceedings against the debtor or the debtor's property in Jamaica on such terms and for such period as is consistent with the relief provided for under sections 41 to 44 in respect of a debtor in Jamaica who files a notice of intention or a proposal or who becomes bankrupt in Jamaica.

(3) On application by a foreign representative in respect of a debtor, the Court may, where it is satisfied that it is necessary for the protection of the debtor's estate or the interests of a creditor or creditors—

- (a) appoint a trustee as interim receiver of all or any part of the debtor's property in Jamaica, for such term as the Court considers appropriate; and
- (b) direct the interim receiver to do all or any of the following—
 - (i) take conservatory measures and summarily dispose of property that is perishable or likely to depreciate rapidly in value;
 - (ii) take possession of all or part of the debtor's property mentioned in the appointment and exercise such control over the property and over the debtor's business as the Court considers appropriate; and
 - (iii) take such other action as the Court considers appropriate.

(4) Section 17 applies, with such modifications as the circumstances require, in respect of an interim receiver appointed under subsection (3).

(5) On application of a foreign representative in respect of a debtor, the Court may authorize the examination under oath by the foreign representative of the debtor or of any person in relation to the debtor who, if the debtor were a bankrupt referred to in section 185, would be a person who could be examined under that subsection.

Court order may be conditional on compliance of foreign representative with other court order.

291.—(1) An application to the Court by a foreign representative under this Part does not submit the foreign representative to the jurisdiction of the Court for any other purpose except with regard to the costs of the proceedings, but the Court may make any order under this Part conditional on the compliance by the foreign representative with any other order of the Court.

Foreign representative not prevented from proceeding due to appeal.

292.—(1) A foreign representative is not prevented from making an application to the Court under this Part by reason only that proceedings by way of appeal or review have been taken in a foreign proceeding, and the Court may, on an application where such proceedings have been taken, grant relief as if the proceedings had not been taken.

Dividends subject to property the creditor may acquire outside Jamaica.

293.—(1) Where any receiving order, proposal or assignment is made in respect of a debtor under this Act—

- (a) the amount that a creditor receives or is entitled to receive outside Jamaica by way of a dividend in a foreign proceeding in respect of the debtor; and
- (b) the value of any property of the debtor that the creditor acquires outside Jamaica—
 - (i) on account of a provable claim of the creditor; or
 - (ii) that the creditor acquires outside Jamaica by way of a transfer that, if it were subject to this Act, would be set aside or reviewed under sections 113–125,

shall be taken into account in the distribution of dividends to creditors of the debtor in Jamaica as if they were a part of that distribution.

(2) The creditor is not entitled to receive a dividend from the distribution in Jamaica referred to in subsection (1) until every other creditor who has a claim of equal rank in the order of priority established under this Act has received a dividend, the amount of which is the same percentage of that other creditor's claim as the aggregate of the amount referred to in paragraph (a) and the value referred to in paragraph (b) is of that creditor's claim.

294. A claim for a debt that is payable in a currency other than Jamaican currency shall be converted to Jamaican currency— Claim payable in foreign currency.

- (a) in the case of a proposal in respect of an insolvent person and unless otherwise provided in the proposal, where a notice of intention was filed under section 35, as of the day the notice was filed or, if no notice was filed, as of the day the proposal was filed with the Supervisor under section 53;
- (b) in the case of a proposal in respect of a bankrupt and unless otherwise provided in the proposal, as of the date of the bankruptcy; or
- (c) in the case of a bankruptcy, as of the date of the bankruptcy.

PART XII. *Offences*

295.—(1) Any bankrupt who—

- (a) makes any fraudulent disposition of the bankrupt's property before or after the date of the initial bankruptcy event;
- (b) refuses or neglects to answer fully and truthfully all proper questions put to the bankrupt at any examination held pursuant to this Act;
- (c) makes a false entry or knowingly makes a material omission in a statement or accounting;
- (d) after or within one year immediately preceding the date of the initial bankruptcy event—
 - (i) conceals, destroys, mutilates, falsifies, makes an omission in or disposes of, or is privy to

Offences committed by bankrupt.

the concealment, destruction, mutilation, falsification, omission from or disposition of, a book or document affecting or relating to the bankrupt's property or affairs, unless the bankrupt had no intent to conceal the state of the bankrupt's affairs;

- (ii) obtains any credit or any property by false representations made by the bankrupt or made by any other person to the bankrupt's knowledge;
 - (iii) fraudulently conceals any debt due to or from the bankrupt or conceals and removes any property of the bankrupt;
 - (iv) hypothecates, pawns, pledges or disposes of any property that the bankrupt has obtained on credit and has not paid for, unless in the case of a trader the hypothecation, pawning, pledging or disposing is in the ordinary way of trade and unless the bankrupt had no intent to defraud; or
- (e) after the filing of a petition against him, or within six months before the filing of the petition, quits Jamaica and takes with him, or attempts or makes preparation to quit Jamaica and take with him, any part of his property to the amount, which ought by law to be divided amongst his creditors,

is guilty of an offence and is liable, on conviction on indictment in a Resident Magistrate's Court, to a fine not exceeding two million dollars or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment.

(2) A bankrupt who, without reasonable cause, fails to comply with an order of the Court made under section 81 or to do

any of the things required of the bankrupt under section 194, is guilty of an offence and is liable—

- (a) on summary conviction, to a fine not exceeding one million dollars or to imprisonment for a term not exceeding one year, or to both; or
- (b) on conviction on indictment, to a fine not exceeding two million dollars or to imprisonment for a term not exceeding three years, or to both.

296. An undischarged bankrupt who—

- (a) engages in any trade or business without disclosing to all persons with whom he enters into any business transaction valued at more than ten thousand dollars that he is an undischarged bankrupt; or
- (b) obtains credit to a total of ten thousand dollars or more from any person or persons without informing such persons that he is an undischarged bankrupt,

Offences committed by undischarged bankrupt.

is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding one year, or to both.

297.—(1) Any person who, being a bankrupt or person, makes a proposal is guilty of an offence and punishable upon conviction and is liable to a fine not exceeding one million dollars or to imprisonment for a term not exceeding one year, or to both, if, within the period beginning on the day that is two years before the date of the initial bankruptcy event and ending on the date of the bankruptcy, that person conceals, destroys, mutilates, falsifies or disposes of, or is privy to the concealment, destruction, mutilation, falsification or disposition of, any book or record affecting or relating to the person's property or affairs, unless the person had no intent to conceal the state of the person's affairs.

Where bankrupt or person who has made proposal not keeping proper books.

(2) For the purposes of this section, a debtor shall be deemed not to have kept proper books of account if he has not kept

such books or accounts as are necessary to exhibit or explain his transactions and financial position in his trade or business, including a book or books containing entries from day to day in sufficient detail of all cash received and cash paid, and, where the trade or business has involved dealings in goods, also accounts of all goods sold and purchased, and statements of physical inventory counts.

False claims,
unlawful fees
and unlawful
transactions.

298.—(1) Where a creditor, or a person claiming to be a creditor, in any proceedings under this Act, wilfully and with intent to defraud makes any false claim or any proof, declaration or statement of account that is untrue in any material particular, the creditor or person is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

(2) Where an inspector accepts from the bankrupt or from any person, firm or corporation acting on behalf of the bankrupt or from the trustee any fee, commission or emolument other than or in addition to the regular fees provided for by this Act, the inspector is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

(3) Where the bankrupt enters into any transaction with any person for the purpose of obtaining a benefit or advantage to which either of them would not be entitled, the bankrupt is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

Offences by
trustee and
others.

299.—(1) A person who—

- (a) not being a licensed trustee, does any act as, or represents himself to be, a licensed trustee;
- (b) being a trustee, either before providing the bond required by section 247(1) or after providing the bond but at any time knowing the bond is not in force, fails to take steps within a reasonable time to put in place a new bond, acts as or exercises any of the powers of trustee;

- (c) having been appointed a trustee, with intent to defraud, fails to observe or to comply with any of the provisions of this Act, or fails duly to do, observe or perform an act or duty that he may be ordered to do, observe or perform by the Court pursuant to this Act;
- (d) having been appointed a trustee, without reasonable excuse, fails to observe or to comply with any of the provisions of this Act, or fails duly to do, observe or perform any act or duty that he may be ordered to do, observe or perform by the Court pursuant to this Act;
- (e) directly or indirectly solicits or canvasses any person to make an assignment or proposal under this Act, or to petition for a receiving order with intent to defraud;
- (f) being a trustee, directly or indirectly, solicits proxies to vote at a meeting of creditors with intent to defraud; or
- (g) being a trustee—
 - (i) makes any arrangement under any circumstances with the bankrupt, or any attorney-at-law, auctioneer or other person employed in connection with a bankruptcy, for any gift, remuneration or pecuniary or other consideration or benefit whatever beyond the remuneration payable out of the estate; or
 - (ii) accepts any such consideration or benefit from any such person, or makes any arrangement for giving up, or gives up, any part of his remuneration, either as a receiver or trustee, to the bankrupt or any solicitor, auctioneer or other person employed in connection with the bankruptcy,

is guilty of an offence punishable on summary conviction to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

(2) A person who having been appointed a trustee to any estate and another trustee having been appointed in his place, does not deliver to the substituted trustee on demand all unadministered property of the estate, together with the books, records and documents of the estate and of his administration is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

(3) A person who fails to comply with or contravenes any provision of section 226 or 247 is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

(4) Every person who contravenes or fails to comply with an order made under section 304 is guilty of an—

- (a) offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both; or
- (b) indictable offence and is liable to a fine not exceeding two million dollars, or to imprisonment for a term not exceeding 3 years, or to both such fine and imprisonment.

(5) Nothing in paragraph (1)(h) shall be construed to apply to a sharing of trustee's fees among persons who together act as trustee of the estate of a bankrupt or as joint trustee to a proposal.

(6) Subject to this Act, every person who contravenes or fails to comply with a provision of this Act or of the Bankruptcy Rules is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding one year, or to both.

Removal of
property.

300.—(1) Subject to subsection (2), it is an offence to remove or attempt to remove the property or part mentioned in section 103 out of the charge or possession of the bankrupt, the trustee or other

custodian of the property, except with the written permission of the trustee—

- (a) within thirty days after delivery to the trustee of the proof of claim mentioned in section 103; or
- (b) where no proof has been delivered.

(2) Subsection (1) shall not apply to a trustee who removes or attempts to remove property in the manner stated therein.

(3) Any person who removes or attempts to remove the property or part mentioned in section 103 out of the charge or possession of the bankrupt, the trustee or other custodian of the property, except with the written permission of the trustee—

- (a) within thirty days after delivery to the trustee of the proof of claim mentioned in section 103; or
- (b) where no proof has been delivered,

is guilty of an offence and liable on summary conviction to a fine not exceeding two million dollars or to imprisonment for a term not exceeding two years, or to both.

301. Any trustee who exercises any of the powers or performs any of the duties of a trustee while the trustee's licence has ceased to be valid for failure to pay licence fees, after the trustee's licence has been suspended or cancelled under section 231 or after having been informed pursuant to section 237(5) of the suspension or cancellation of the trustee's licence is guilty of an offence and is liable on summary conviction to a fine not exceeding two million dollars, or to imprisonment for a term not exceeding two years, or to both.

Invalid trustee licence.

302. Where the Supervisor has placed conditions or limitations on the licence of a trustee and the trustee exercises any of the powers of a trustee other than the powers that the trustee is authorized to exercise, the trustee is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding one million dollars, or to imprisonment for a term not exceeding two years, or to both.

Trustee acting outside authority.

Offence
committed by
corporation.

303. Where a corporation commits an offence under this Act, any officer, director or agent of the corporation, or any person who has or has had, directly or indirectly, control in fact of the corporation, who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable on conviction to the punishment provided for the offence, whether or not the corporation has been prosecuted or convicted.

Court may
make order for
community
service.

304. Where a person has been convicted of an offence under this Act, the Court may, having regard to the nature of the offence and the circumstances surrounding its commission, and in addition to any other punishment that may be imposed under this Act, make an order directing the person to perform community service, subject to such reasonable conditions as may be specified in the order.

Variation of
order made
under section
304.

305.—(1) Subject to subsection (2), where a Court has made an order under section 304 in respect of a person, the Court may, on application by the person or the Attorney-General, require the person to appear before it and, after hearing the person or the Attorney-General, the Court may vary the order in one or any combination of the following ways that is applicable and that, in the opinion of the Court, is desirable because of a change in the circumstances of the person since the order was made—

- (a) by making changes in the order or conditions specified therein or extending the period for which the order is to remain in force for such period, not exceeding one year, as the Court considers desirable; or
- (b) by reducing the period for which the order is to remain in force or relieving the person, either absolutely or partially or for such period as the Court considers desirable, of compliance with any condition that is specified in the order.

(2) Before varying an order under subsection (1), the Court may direct that notice be given to such persons as the Court considers to be interested, and may hear any such persons.

(3) Where an application made under subsection (1) in respect of a person has been heard by the Court, no application may be made with respect to the person except with leave of the Court.

306.—(1) Where a person has been convicted of an offence under this Act and any other person has suffered loss or damage because of the commission of the offence, the Court may, at the time sentence is imposed, order the person who has been convicted to pay to the person who has suffered loss or damage or to the trustee of the bankrupt an amount by way of satisfaction or compensation for loss of or damage to property suffered by that person as a result of the commission of the offence.

Court may make an order regarding damages.

(2) Where an amount that is ordered to be paid under subsection (1) is not paid forthwith, the person in favour of whom the order has been made may file the order in Court and that order is enforceable against the person who has been convicted in the same manner as if it were a judgment rendered against the person who has been convicted in that Court in civil proceedings.

307.—(1) Whenever a trustee has grounds to believe that—

Trustee to report to the Police.

- (a) an offence under this Act or under any other Act of Jamaica has been committed with respect to any bankrupt estate in connection with which he has been acting under this Act; or
- (b) that for any special reason an investigation should be had in connection with that estate, it is the duty of the trustee to—
 - (i) report the matter to the Police, including in the report a statement of all the facts or circumstances of the case within his knowledge, the names of the witnesses who should in his opinion be examined, and a statement respecting the offence or offences believed to have been committed; and
 - (ii) to forward a copy of the report forthwith to the Supervisor.

(2) A creditor, inspector or other interested person who believes on reasonable grounds that a person is guilty of an offence under this or any other enactment in connection with a bankrupt, his property or his transactions, may file a report with the Police of the facts on which that belief is based, or he may make such further representations supplementary to the report of the trustee as he may deem proper.

(3) Whenever the Court is satisfied on the representation of the Supervisor or trustee or of any creditor, inspector or other interested person, that there is ground to believe that any person is guilty of an offence under this or any other Act of Jamaica in connection with the bankrupt, his property or transactions, the Court may authorize the trustee to initiate proceedings for the prosecution of that person for that offence.

Substance of
offence
sufficient.

308. In an information, complaint or indictment for an offence under this Act, it is sufficient to set out the substance of the offence charged in the words of this Act, specifying the offence or as near thereto as circumstances admit, without alleging or setting out any debt, act of bankruptcy, trading, adjudication or any proceedings in, or order, warrant, or document of, any court acting under this Act.

Time for
commence-
ment of action.

309. A prosecution by indictment under this Act shall be commenced within five years from the time of the commission of the offence and, in the case of an offence punishable on summary conviction, the complaint shall be made or the information laid within three years from the time when the subject-matter of the complaint or information arose.

PART XIII. *General*

Power
respecting
bankruptcy
rules.

310. For the purpose of carrying into effect the objects of this Act, rules may be made by the same authority and in the same manner as Rules of Court may be made under the Judicature (Rules of Court) Act and such rules may provide for the regulation of—

- (a) sittings of the Court and a judge of the Court in chambers;

- (b) the practice and procedure in Court; and
- (c) any matters relating to the practice and procedure of the Court, the duties of the officers of the Court, and the costs of or fees upon and percentages to be charged for or in respect of proceedings:

Provided that no rules so made shall extend the jurisdiction of the Court.

311.—(1) A copy of the Gazette or local daily newspaper containing any notice inserted in the Gazette or local newspaper in pursuance of this Act shall be evidence of the facts stated in the notice.

Gazette or local daily newspaper to be evidence of facts.

(2) The production of a copy of the Gazette or local newspaper containing any notice of a receiving order, an assignment, a proposal, or a receivership shall be conclusive evidence in all legal proceedings of the order or declaration having been duly made and of its date.

(3) Copies authenticated by the signature of the Supervisor or trustee of any entries in the books kept by them with respect to any estate vested in or administered by the Supervisor or trustee under this Act shall be admissible in evidence in any legal proceeding or for any other purpose, and shall have the same effect in evidence in all respects as the originals from which copies were made.

(4) In all legal proceedings, judicial notice shall be taken of the signature of the Supervisor and of the trustee but any court, Judge or magistrate may require such signature to be proved in the ordinary way if it is doubtful to the Court, Judge or magistrate whether the alleged signature is genuine.

312. For all or any purposes of this Act—

- (a) a corporation may act by any of its officers authorized in that behalf under the seal of the corporation;
- (b) a firm may act by any of its members; and

Acts by corporations, firms, and individuals of unsound mind.

- (c) an individual of unsound mind may act by his nearest relative.

Vacating of seat in House of Representatives.

313. Where a bankrupt is a member of the House of Representatives and has not, before the date which is twelve months after the date of bankruptcy, obtained from the Court a certificate to the effect that the bankruptcy was caused by misfortune without any misconduct on his part, the trustee shall, immediately after the expiration of the twelve-month period, so advise the same to the Speaker and thereupon the seat of the member shall be vacant.

Leave of the Court required to pursue certain actions.

314. Except by leave of the Court, no action lies against the Supervisor, an interim receiver or a trustee with respect to any report made under, or any action taken pursuant to, this Act.

Regulations.

315.—(1) The Minister may make regulations generally for giving effect to this Act and notwithstanding the generality of the foregoing the regulations may make provision for—

- (a) prescribing anything that is authorized or required to be prescribed by the Act;
- (b) the imposition of fees and charges to be paid in respect of any matter required for purposes of this Act.

(2) Notwithstanding section 29(b) of the *Interpretation Act*, regulations made under subsection (1) may provide in respect of a breach of any of the provisions thereof for the imposition of penalties on summary conviction in a Resident Magistrate's Court of a fine not exceeding one million dollars or imprisonment for a term not exceeding twelve months or of both such fine and imprisonment.

Minister may amend monetary penalties and Schedules.

316. The Minister may, by order—

- (a) subject to affirmative resolution, amend or vary any monetary penalties prescribed in this Act;
- (b) amend any of the Schedules to this Act.

317.—(1) This Act shall be reviewed, from time to time, by a committee of both Houses of Parliament appointed for the purpose.

Review of Act
by Parliamentary
Committee.

(2) The first review of this Act shall be conducted not later than five years after the appointed day.

318.—(1) Subject to the provisions of this Act, all bankruptcy proceedings or winding up proceedings commenced before the appointed day shall be determined by laws applicable immediately prior to the appointed day.

Transitional.

(2) In this section “transitional period” means the period of twenty-four months beginning on the appointed day.

(3) A person who, immediately before the appointed day, was entitled to and was practising as a trustee, shall, within six months after the appointed day, make an application under section 228 to the Supervisor for a licence to operate as a trustee.

319. The Bankruptcy Act is repealed.

Repeal.

320. The provisions of the *Companies Act* specified in the first column of the Second Schedule are amended in the manner specified in the second column of the Second Schedule.

Amendments
of the
*Companies
Act*.
Second
Schedule.

FIRST SCHEDULE

(Sections 3(1)(a), 30(1),
36(2)(a), 63, 72 and
74(3))

Form 1

BANKRUPTCY AND INSOLVENCY ACT, 2013

Assignment for the General Benefit of Creditors

(Pursuant to sections 3(1), 30 and 36(2)(a))

A. Corporation or other Legal Entity

Whereas the debtor is insolvent and desires to assign and to abandon all his property for distribution among his creditors, in pursuance of the Act.

This indenture made this _____ day of _____,
between _____ hereinafter called "the debtor"
((Insert the name of the debtor))

and _____ hereinafter called "the trustee."
(Insert the name of the trustee)

WITNESSES that the debtor hereby assigns to the trustee, all the debtor's property for the uses, intents and purposes provided by the Act.

Signed at _____, in the parish of _____,
in the presence of _____.

_____ Witness	_____ Date	_____ Debtor (or legal representative of the debtor)
------------------	---------------	---

- Notes:
1. Where the debtor is a corporation, a certified copy of the resolution of the board of directors shall be attached to this document.
 2. Where the debtor is deceased, attach a copy of the court order.

Form 2

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Notice of Intention to Enforce a Security
(Pursuant to sections 15(1) and 19)*

To: _____, an insolvent person.

Take notice that:

1. _____, a secured creditor, intends to enforce its security on the insolvent person's property described below:

(Describe the property to which the security relates.)

2. The security that is to be enforced is in the form of

(Provide particulars of the security.)

3. The total amount of indebtedness secured by the security is \$ _____.

4. The secured creditor shall not have the right to enforce the security until after the expiry of the ten-day period after this notice is sent, unless the insolvent person consents to an earlier enforcement.

Dated at _____, this _____, day of _____, 20_____.

Name of Secured Creditor

Name and Title of Signing Officer

Form 3

BANKRUPTCY AND INSOLVENCY ACT, 2013

Notice and Statement of the Receiver
(Pursuant to sections 20(2) (a) and 21)

The receiver gives notice and declares that:

1. On the ___ day of _____, ____, I _____, became the receiver in respect of the property of _____, an insolvent person/ bankrupt, that is described below:

(Provide an appropriate description of the property including the book value of each asset and broken down into the categories of inventory, accounts receivable and other assets.).

2. I became a receiver by having taken possession or control of the property described above or by virtue of being appointed by

_____ pursuant to
(name of person or court that appointed receiver)

(particulars of security agreement or court order pursuant to which receiver was appointed).

3. The undersigned took possession or control of the property described above on the ___ day of _____, _____.

4. The following information relates to the receivership:

- (a) address of insolvent person/bankrupt;
- (b) principal line of business;
- (c) location(s) of business;
- (d) amount owed by insolvent person/bankrupt to each creditor who holds a security on the property described above;
- (e) the list of other creditors of the insolvent person/bankrupt and the amount owed to each creditor and the total amount due by the insolvent person/bankrupt is as follows;
- (f) the intended plan of action of the receiver during the receivership

Note: (Provide name, telephone number and, if applicable, facsimile machine number).

This notice shall be accompanied by the fee of \$ _____.

Dated at _____, this _____, day of _____, _____.

Name of Receiver

Name and Title of Signing Officer

Form 4

BANKRUPTCY AND INSOLVENCY ACT, 2013

Notice to Debtor
(Pursuant to section 22)

To (Name and address of debtor):

You are required to complete this form carefully and accurately, answering the questions to the best of your knowledge.

1. Give the names, addresses and amounts of the claims of all your creditors and all your assets of every description and state whether such claims are secured, preferred or unsecured.

Property Claims

Name	Address	Amount of Claims \$	Nature of Claim
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Trust Claims

Name	Address	Amount of Claims \$	Nature of Claim
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Secured Creditors

Name	Address	Amount of Claims \$	Particular of Security held
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Preferred Creditors

Name	Address	Amount of Claims \$	Nature of Claim
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Unsecured Creditors

Name	Address	Amount of Claims \$
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. What is the estimated value of your property?

- (a) Stock-in-trade \$ _____
- (b) Trade fixtures..... \$ _____
- (c) Book debts, bills of exchange, promissory notes, etc. \$ _____
- (d) Cash in Bank of..... \$ _____
- (e) Cash on hand \$ _____
- (f) Livestock..... \$ _____
- (g) Machinery and equipment \$ _____
- (h) Real property..... \$ _____
- (i) Financial Instruments (includes RRSPs, securities, life insurance policies, etc.)..... \$ _____
- (j) Other property (vehicles, jewellery, etc.)..... \$ _____

3. Have you an interest in any other property?

- (a) Jointly or in common with any person or persons?
- (b) Under any will?
- (c) Under any marriage contract or settlement?

..... other way?

The projection has been prepared solely for the purpose described in Note "C" _____, and readers are cautioned that it may not be appropriate for other purposes.

I attach Notes "A", "B" and "C".

Dated at _____, this ____ day of _____, 20 ____.

Trustee

Form 6

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Report on Cash-flow Statement by the Person Making the Proposal
(Pursuant to sections 35(1)(c) and 50)*

The _____ (management, receiver, liquidator, etc.) of _____ has developed the assumptions and prepared the attached projected statement of cash-flow of the insolvent person, as of the ____ day of _____, _____, consisting of _____
(Describe, including relevant dates).

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note "A" and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes "B".

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note "C", using a set of probable and hypothetical assumptions set out in Notes "B". purposes.

Dated at _____, this _____ day of _____, 20____.

Name of Person Making the Proposal

Name and Title of Signing Officer

Name and Title of Signing Officer

Form 7

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Report of Trustee on Non-filing of Cash-flow Statement or Proposal
(Pursuant to section 36(2) (a))*

I, _____, of _____, the trustee under a notice of intention to make a proposal filed by _____, an insolvent person, hereby report to the official receiver as follows:

1. That the insolvent person did, on the ____ day of _____, file with the official receiver a notice of intention to make a proposal.

2. That:

(Check appropriate description.)

- a projected cash-flow statement was not filed within the period of ten days after the filing of the notice of intention.
- a proposal was not filed within the period of thirty days after the day on which the notice of intention was filed or within any extension of that period granted by the court under section 36 of the Bankruptcy and Insolvency Act. *(If an extension of time has been granted by the court, attach a copy of the court order.)*

Dated at _____ this ____ day of _____ 20____.

Trustee

Form 8

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Notice by Trustee Requiring Filing of Proof of Security
(Pursuant to sections 42, 164 and 171)*

Take notice that:

1. You are hereby required, pursuant to sections 42 and 164 of the Bankruptcy and Insolvency Act, to file with me a proof of claim and proof of security (security documents) relating to any security that you hold on the property of _____, a bankrupt, which property is described below:

(Describe the property.)

2. The proof of claim and proof of security must give full particulars of the security, including the date on which it was given and the value at which you assess it.

3. If you do not file with me a proof of claim and proof of security in respect of the property, within the thirty days after the day on which this notice is served I may, with leave of the court, sell or dispose of the property, free of your security.

4. A proof of claim in the required form is attached.

Dated at _____ this _____ day of _____, 20_____.

Trustee

FORM 9

BANKRUPTCY AND INSOLVENCY ACT, 2013

Statement of Affairs (Business Bankruptcy)
(Pursuant to section 45)

To (name and address of the bankrupt):

You are required to carefully and accurately complete this form and the applicable attachments, showing the state of your affairs on the date of your bankruptcy:— namely on the ___ day of _____. When completed, this Form and the applicable attached lists will constitute your Statement of Affairs and shall be verified by oath or solemn declaration.

LIABILITIES

(as stated and estimated by bankrupt)

ASSETS

(as stated and estimated by bankrupt)

- 1. Unsecured creditors as per list "A" \$ ___
2. Secured creditors as per list "B" \$ ___
3. Preferred creditors as per list "C" \$ ___
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for \$ ___
Total liabilities \$ ___
Surplus \$ ___

- 1. Inventory \$ ___
2. Trade fixtures, etc \$ ___
3. Accounts receivable and other receivables as per List "E"—
Good \$ ___
Doubtful \$ ___
Bad \$ ___
Estimated to produce .. \$ ___
4. Bills of exchange, promissory note, etc., as per List "F" .. \$ ___

I, _____, of the _____ of _____ in the Parish of _____, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge a full, true and complete statement of my affairs on the ___ day of _____ and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with Bankruptcy and the Insolvency Act.

- 5. Deposits in Financial Institutions \$ ___
6. Cash \$ ___
7. Livestock \$ ___
8. Machinery, Equipment and Plant \$ ___
9. Real property as per List "G" \$ ___
10. Furniture \$ ___

SWORN (or SOLEMNLY DECLARED)

this ___ day of _____, 20___
at _____

in the Parish of _____
before me: _____

Justice of the Peace
for the parish of

(Signature of
bankrupt)

11. RRSPs, RRIFs, Life Insurance,
etc. \$ _____

12. Securities (Shares, Bonds,
Debentures, etc.) \$ _____

13. Interest under Wills... \$ _____

14. Vehicles \$ _____

15. Other property, as per
List "H" \$ _____

If bankrupt is a corporation, add:

Amount of subscribed
Capital \$ _____

Amount paid on capital.. \$ _____

Balance subscribed and
Unpaid \$ _____

Estimated to produce \$ _____

Total assets \$ _____

Deficiency \$ _____

List "A"
Unsecured Creditors

The names are to be arranged in alphabetical order and numbered consecutively.

No.	Name of creditor	Address	Amount of Claim

Bankrupt

Date

List "B"
Secured Creditors

No.	Name of creditor	Address	Amount of Claim	Particulars of Security	When given	Estimated value of security	Estimated surplus from security	Balance of claim unsecured

Bankrupt

Date

List "C"
Preferred Creditors for Wages, Rent, etc.

No.	Name of creditor	Address and occupation	Nature of Claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking in full

Bankrupt

Date

List "D"
Contingent or Other Liabilities

Give particulars of claims not set out in List "B" or "C".

Name of creditor or claimant	Address and occupation	Amount of liability or Claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability

Bankrupt

Date

List "E"
Debts Due to the Bankrupt

No.	Name of creditor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt

Bankrupt

Date

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel Mortgages, etc., Available as Assets

No.	Name of all promissory, acceptors, endorsers, mortgagors and guarantors	Address	Occupations	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.

Bankrupt

Date

List "G"
Real Property Owned by Bankrupt

Description of property	Nature of bankrupt's interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (Name, Address, Amount)	Equity or surplus

Bankrupt

Date

List "H"

Property

Give full particulars of property of every description that is in the bankrupt's or that may be devolve on the bankrupt in accordance with the Bankruptcy and Insolvency Act and that are not included in any other list.

FULL STATEMENT OF PROPERTY

Nature of Property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade				
(b) Trade fixtures, etc.				
(c) Cash in Financial Institution (name) (address)				
(d) Cash on hand				
(e) Livestock				
(f) Machinery, equipment and plant				
(g) Furniture				
(h) Life insurance policies, RRSPs etc.				
(i) Securities				
(j) Interests under wills, etc.				
(k) Vehicles				
(l) Taxes				
(m) Other property (<i>state particulars</i>)				

Bankrupt

Form 10

BANKRUPTCY AND INSOLVENCY ACT, 2013

Proof of Claims

(Pursuant to sections 44, 45(2)(e)(i), 56, 103, 105(1) and 158(2))

(All notices or correspondence regarding this claim must be forwarded to the following address: _____)

In the matter of the bankruptcy proposal, or receivership of _____ of _____ and the claim of _____
(name of debtor) (city and parish) (creditor)

I, _____ of _____
(name of creditor or representative of the creditor) (city and parish)
do hereby certify that:

1. That I am a creditor of the above-named debtor (or that I am _____ of _____
(state position or title) (name of creditor)

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the ____ day of _____, _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked "A", after deducting any counterclaims to which the debtor is entitled.

(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any assets of the debtor as security and (Check appropriate description.)

Regarding the amount of \$ _____, I do not claim a right to a priority.

Regarding the amount of \$ _____, I claim a right to a priority under section 126 of the Act.

(Set out on an attached sheet details to support priority claim).

B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under Bankruptcy and Insolvency Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based).

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under Bankruptcy and Insolvency Act for the unpaid amount of \$ _____ :

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors).

That I hereby make a claim under the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 2 of the bankruptcy and Insolvency Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 2 of the Bankruptcy and Insolvency Act, within the twelve months) immediately before the date of the initial bankruptcy event within the meaning of the Bankruptcy and Insolvency Act:

(Provide details of payments and credits.)

(Applicable only in the case of the bankruptcy of an individual.)

- I request to be advised of any material change in the financial situation of the bankrupt, pursuant to the Bankruptcy and the Insolvency Act.
- I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to the Bankruptcy and Insolvency Act.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to the Bankruptcy and Insolvency Act be sent to the above address.

Dated at _____, this _____, day of _____.

Witness

Creditor

Phone Number: _____

Fax Number: _____

E-mail Address: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to Bankruptcy and Insolvency Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

The Bankruptcy and the Insolvency Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Form 11

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Proof of Claims Unsecured and Secured Claim
(Pursuant to sections 45, 56 and 164)*

(All notices or correspondence regarding this claim must be forwarded to the following address: _____)

I _____ of _____
(name of creditor or representative of the creditor) (city and parish)
do hereby certify that:

In the matter of the bankruptcy, proposal, or receivership of _____ of _____ and the claim
(name of debtor) (city and parish)
of _____, creditor.

1. That I am a creditor of the abovenamed debtor (or that I am)

_____ of _____
(state position or title) (name of creditor)

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, namely the _____ day of _____, _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked "A", after deducting any counterclaims to which the debtor is entitled.

(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. *(Check and complete appropriate category.)*

A. UNSECURED CLAIM OF \$ _____

Other than as a customer contemplated by the Bankruptcy and Insolvency Act.

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

- Regarding the amount of \$ _____, I do not claim a right to a priority.
- Regarding the amount of \$ _____, I claim a right to a priority under section 126 of the Bankruptcy and Insolvency Act.

(Set out on an attached sheet details to support priority claim).

- B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

5. That, to the best of my knowledge, I am (*or the above-named creditor is*) (*or am not or is not*) related to the debtor within the meaning of section 2 of the Bankruptcy and Insolvency Act.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of section 2 of the Bankruptcy and Insolvency Act, within the twelve months*) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Bankruptcy and Insolvency Act:

(Provide details of payments and credits.)

(Applicable only where the securities firm is an individual.)

- I request to be advised of any material change in the financial situation of the bankrupt, pursuant to the Bankruptcy and Insolvency Act.
- I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to the Bankruptcy and Insolvency Act.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to the Bankruptcy and Insolvency Act be sent to the above address.

Dated at _____, this _____, day of _____.

Witness

Creditor

Phone Number: _____

Fax Number: _____

E-mail Address: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to the Bankruptcy and Insolvency Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Section of the Insolvency Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Form 12

BANKRUPTCY AND INSOLVENCY ACT, 2013

Proxy

(Pursuant to sections 45 and 126)

I, _____ of _____, a creditor in the above
(name of creditor) (name of town or city)

matter hereby appoint _____, of _____,
to be my proxy in the above matter, except as to the receipt of dividends, with or
without power to appoint another proxy in his place.

Dated at _____, this _____ day of _____ 20____.

Witness

Individual Creditor

Name of Corporate Creditor

Witness

Name and Title of Signing Officer

Form 13

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Report of Trustee on Refusal by Creditors to Approve Proposal
(Pursuant to sections 63 and 72)*

I, _____ of _____, the trustee acting in the proposal of _____, hereby report to the official receiver as follows:

1. That _____ did, on the _____ day of _____ file a proposal with me.
2. That at the meeting of creditors held on the _____ day of _____ and presided over by _____, the creditors refused the proposal.

Dated at _____, this _____ day of _____ 20 _____.

Trustee

Form 14

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Report of Trustee on Proposal
(Pursuant to sections 68 and 69)*

I, _____, of _____ the trustee acting in the proposal of _____, hereby report to the Court as follows:

(Paragraph 1 is to be used only in the case of a proposal by a bankrupt. In all other cases, go directly to paragraph 2.)

1. That on the _____ day of _____, the debtor did make an assignment (or a receiving order was, on the _____ day of _____, made against the above-named debtor) and that I was appointed trustee of the estate of the debtor (or, if a substitute trustee has been appointed, I was substituted as trustee for _____ by the creditors) on the _____ day of _____.

2. That a proposal was filed with me on the _____ day of _____ a copy of which is attached and marked as Exhibit "A", and that I filed a copy of the proposal with the official receiver on the _____ day of _____.

3. That on the _____ day of _____ I gave notice to the debtor, to the Parish Office and to every known creditor affected by the proposal, whose names and addresses are shown in Exhibit "B" to this report, of the calling of a meeting of creditors to be held on the day of _____ to consider the proposal.

4. That with the notice was included a condensed statement of the assets and liabilities of the debtor, a list of the creditors affected by the proposal who have claims of \$ _____ or more and showing the amounts of their claims, a copy of the proposal, a form of proof of claim and proxy in blank and a voting letter. Copies of the notice, the condensed statement and the list of creditors are attached and marked as Exhibits "C1", "C2" and "C3", respectively.

5. That prior to the meeting of creditors I made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.

6. That the meeting of creditors was held on the ____ day of _____ and was presided over by _____.

7. That the proposal was accepted by the required majority of creditors (or the proposal was amended by _____ at the meeting and as so amended was accepted by the required majority of creditors).

8. That a copy of the minutes of the meeting is attached and marked as Exhibit "D".

9. That I am of the opinion that:

(a) the assets of the debtor and their fair realizable value are as follows:

(Set out assets in detail, giving for each its value as carried on the books of the debtor and its realizable value as estimated by you.)

(b) the liabilities of the debtor are as follows:

(Set out the liabilities, state whether secured, preferred or unsecured, and point out any discrepancies between the liabilities as declared by the debtor and as subsequently proved and admitted by you.)

10. That I am also of the opinion that:

(a) the causes of the insolvency of the debtor are as follows:

(Set out fully the causes of the insolvency of the debtor as you have, on careful inquiry, ascertained them to be.)

(b) the conduct of the debtor is subject to censure in the following respects:

(Set out the reasons for this opinion, considering the conduct of the debtor both before and after the filing of the proposal.)

(c) the following facts, mentioned in section of the Bankruptcy and Insolvency Act, may be proved against the debtor:

(Set out the relevant facts mentioned in the Bankruptcy and Insolvency Act.)

11. That I am further of the opinion that the debtor's proposal is an advantageous one for the creditors (or is not an advantageous one for the creditors), for the following reasons:

(Set out fully the reasons for your opinion.)

12. That I forwarded a copy of this report to the official receiver on this day.

Dated at _____, this _____ day of _____.

Trustee

Form 15

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Report of Trustee on Annulment of Proposal
(Pursuant to section 74)*

I, _____ of _____ the trustee acting in the proposal of _____, hereby report to the official receiver as follows:

1. That _____ did, on the _____ day of _____, file a proposal with me, and that the _____ of _____ (*parish*) in Bankruptcy, by order dated the _____ day of _____, has annulled the proposal.

2. The proposal was annulled by the court on the application of _____, the trustee of the proposal (*or a creditor of the debtor*).

3. The proposal was annulled on the grounds that

(Check appropriate grounds.)

- the debtor has defaulted in the performance of a provision in the proposal.
- the proposal could not continue without injustice or undue delay.
- the approval of the court was obtained by fraud.
- the debtor was convicted of an offence under the Act.

(Specify: _____)

4. As a consequence of the annulment of the proposal, the debtor is deemed on the annulment to have made an assignment pursuant to the Bankruptcy and Insolvency Act.

5. The court further ordered that the property be vested in _____ the trustee.

(In the case of a proposal by a bankrupt, the previous paragraph is to be replaced by the following:)

6. The court further ordered that the property vested in the bankrupt by the order approving the proposal, be revested in _____, the trustee.

Dated at _____, this _____ day of _____ 20_____.

Trustee

Form 16

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Certificate of Full Performance of Proposal
(Pursuant to section 78)*

The undersigned _____, the trustee acting in the proposal of _____, certifies that the proposal, as filed with the official receiver on the ____ day of _____, _____, (and as amended on the day of _____, _____) has been fully performed as of the ____ day of _____, _____.

Dated at _____, this ____ day of _____, _____.

Trustee

Form 17

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Request for Mediation Made by Trustee
(Pursuant to section 83)*

I, _____ trustee of the estate of _____, bankrupt, who made an assignment (or against whom a receiving order was made) on the ____ day of _____, hereby apply to the official receiver to refer to this matter to the mediator, who shall set the time and place for the mediation.

This application for mediation is being made for the following reasons:

(Check appropriate description)

- There is disagreement as to the amount of surplus income to be paid by the bankrupt.
- There is a written request from _____, a creditor, _____ *(creditor's address)*, to proceed with the mediation process.
- The bankrupt does not agree with the discharge recommendation of the trustee.
- The trustee is opposed to the discharge of the bankrupt on a ground referred to in section 173(1) (m) or (n) of the Act.
- _____ a creditor, _____ *(creditor's address)*, is opposed to the discharge of the bankrupt on a ground referred to in the Bankruptcy and Insolvency Act.

An income and expense statement of the bankrupt is attached to this request.

(Indicate name, address, phone numbers of all parties)

Form 18

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Demand for Repossession of Goods
(Pursuant to section 104)*

To: _____, purchaser (or trustee or receiver)

Whereas the purchaser is bankrupt (or there is a receiver within the meaning of section of the Insolvency Act, appointed in respect of the purchaser's property) the trustee (or receiver) is required to release the goods described above in accordance with section of the Bankruptcy and Insolvency Act.

I, _____, of _____ (address), (or as _____ of _____) supplier, hereby demand access to and repossession of the goods described below, which were sold and delivered to _____, the purchaser, on the dates and in accordance with the terms set out in the attached documents:

(Attach copies of documents of sale (invoice, delivery slip, etc.) and provide an appropriate description of the goods.)

Dated at _____, this ____ day of _____ 20 ____.

Supplier

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

Form 19

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Notice of Bankruptcy and First Meeting of Creditors
(Pursuant to sections 126(6) and 190)*

Take notice that:

1. _____ filed (or was deemed to have filed) an assignment (or a
(name of bankrupt)
receiving order was made against) _____ on the ___ day
(name of bankrupt)
of _____, and the undersigned, _____
(name of trustee),

was appointed as trustee of the estate of the bankrupt by the official receiver (or the court), subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

2. The first meeting of creditors of the bankrupt will be held on the ___ day
of _____, at ___ o'clock, at the office of _____, at _____.

3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a form of proof of claim, a form of proxy, and a list of creditors with claims amounting to twenty-five dollars or more, showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

(Where the bankrupt is an individual, include paragraph 6.)

6. Included pursuant to section _____ of the Insolvency Act, is information concerning the financial situation of the bankrupt and the obligation of the bankrupt to make payments to the estate of the bankrupt, as required under section _____ of the Insolvency Act.

Dated at _____, this ___ day of _____, _____.

Trustee

Form 20

BANKRUPTCY AND INSOLVENCY ACT, 2013

Trustee's Statement of Receipts and Disbursements

Summary Administration

(Pursuant to section 187(2))

RECEIPTS:

Itemize the Receipts

Total Receipts: \$ _____
Less payments made to secured creditors: \$ _____
Less necessary disbursements relating directly to realization
(Identify separately the costs pertaining to all assets) \$ _____

NET RECEIPTS AVAILABLE TO THE ESTATE: \$ _____

Disbursements:

1. Counselling fees: \$ _____

2. Fees paid:

(a) to official receiver \$ _____

(b) to the Court (where applicable) \$ _____

3. Administrative disbursement: \$ _____

4. Trustee's fees:

100% of \$ _____ \$ _____

35% of \$ _____ \$ _____

50% of \$ _____ \$ _____

Total: \$ _____

5. Applicable Taxes: \$ _____

TOTAL DISBURSEMENTS: \$ _____

Amount available for distribution: \$ _____

Proved Claims: \$ _____

Dividend: \$ _____

Supervisor of Insolvency's Levy: \$ _____

Total Dividend and Levy \$ _____

Status of Bankrupt's Discharge:

(Give the description and value of all property of the bankrupt (whether or not secured) as shown in the statement of affairs or otherwise known and not accounted for in the receipts, stating why the property has not been sold or realized and stating the disposition made)

_____ **Date**

_____ **Trustee**

Approved by the following inspectors: _____

Form 21

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Notice of Final Dividend and Application for Discharge of Trustee
(Pursuant to section 187(5))*

Take notice that:

1. A final dividend sheet has been prepared. There is enclosed with this form a copy of the dividend sheet and a copy of my final statement of receipts and disbursements as taxed.

2. The final dividend will be paid after the expiration of fifteen days following the date of the mailing of this notice.

3. Notice of objection of the final statement and dividend sheet must be filed with the registrar, at _____ before the ____ day of _____, and a copy of the notice served on the undersigned. The notice must state the reasons for the objection.

4. I will apply to the court on the ____ day of _____, at the hour of _____'clock, or so soon thereafter as the motion can be heard, for an order of discharge with respect to the above-mentioned estate and for a release of the security provided by me pursuant to section 201 of the Insolvency Act.

5. Notice of objection to my discharge, setting out the reasons for opposition, must be filed with the registrar, at _____, at least five days before the date of the hearing, and a copy of the notice must be served on me within those five days.

Dated at _____, this ____ day of _____, _____.

Trustee

Form 22

BANKRUPTCY AND INSOLVENCY ACT, 2013

*Notice of Impending Automatic Discharge of First-time Bankrupt
(Pursuant to section 190)*

To: (Name and Address)

Take notice that:

1. _____ (*name of bankrupt*) filed (or was deemed to have filed) an assignment (or a) receiving order was made against _____ (*name of bankrupt*) on the _____ day of _____, and the undersigned, _____ (*name of trustee*) was appointed as trustee.

2. Pursuant to section of the Insolvency Act, the bankrupt, being an individual who has never before been bankrupt, will be given an automatic discharge on the _____ day of _____, _____ (*insert the date that is nine months after the date of bankruptcy.*), unless the Supervisor of Insolvency, the trustee of the estate of the bankrupt or a creditor of the bankrupt gives notice of intended opposition to the discharge of the bankrupt before that date.

3. Any creditor who intends to oppose the discharge of the bankrupt shall give notice of the intended opposition, stating the grounds for the opposition, to the trustee of the estate of the bankrupt, the bankrupt, and the Parish Office, before the _____ day of _____ (*insert the same date as in item 2*).

4. Where any creditor opposes the discharge of the bankrupt, a court fee applies.

5. Where the discharge of the bankrupt is opposed, the trustee will apply to the court without delay for an appointment for the hearing of the opposition in the manner prescribed by the Act, unless it is a matter to be dealt with by mediation pursuant to section of the Insolvency Act.

Dated at _____, this _____ day of _____.

Trustee

SECOND SCHEDULE

(Section 318)

Amendments of the Companies Act

<u>Provision</u>	<u>Amendment</u>
General	<ol style="list-style-type: none">1. Delete all references to "Trustee in Bankruptcy" and "Trustee" and substitute therefor the words, in each case, "Government Trustee".2. Delete paragraph (d).3. Delete the words "Trustee in Bankruptcy" wherever they appear and substitute therefor, in each case, the words "Government Trustee".
Section 220(d)	Delete the paragraph.
Section 221	Delete the section.
Section 222(c)	Delete the paragraph.
Section 272(c)	Delete the paragraph.
Section 282	Delete the section.
Sections 299	Delete the word "liquidator" wherever it appears and substitute therefor, in each case, the word "trustee".

MEMORANDUM OF OBJECTS AND REASONS

Recommendations made in the March 2012 Final Report of the Insolvency Review Committee ("the Committee"), emphasized the need for creating an enabling legal and regulatory environment for the implementation of insolvency laws.

The Report highlighted that the Jamaican law on bankruptcy and insolvency is currently contained in two pieces of legislation: the Bankruptcy Act which covers personal and individual insolvency, and the Companies Act which contains provisions which deal with the winding-up of insolvent corporate bodies. After much consultation, it was agreed that the need for reform was clear.

The objects of this Bill are to—

- (a) consolidate the law relating to bankruptcy, insolvency, receiverships, provisional supervision and winding up;
- (b) provide for corporate and individual insolvency;
- (c) provide for the rehabilitation of an insolvent debtor;
- (d) repeal the Bankruptcy Act; and
- (e) provide for matters connected with, or incidental to, the foregoing, including the amendment of the Companies Act.

ANTHONY HYLTON
Minister of Industry, Investment
and Commerce.

A BILL

ENTITLED

AN ACT to Repeal the Bankruptcy Act and make new provisions for the regulation of bankruptcy and insolvency; to make provisions for corporate and individual insolvency; to provide for the rehabilitation of the insolvent debtor; to create the office of Supervisor of Insolvency; and for connected matters.

**As introduced by the Honourable Minister of Industry,
Investment and Commerce.**

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