

**OFFICIAL ASSIGNEE / OFFICIAL RECEIVER
(VEHICLE UNDER HIRE PURCHASE)
PRACTICE CIRCULAR NO. 2 OF 2017**

**VEHICLE UNDER HIRE PURCHASE
WHERE HIRER IS A BANKRUPT OR
WOUND UP COMPANY**

1 This circular supercedes Official Assignee / Official Receiver Circular No. 1 of 2014 with immediate effect.

2 Once the Official Assignee/Official Receiver has ascertained that a bankrupt/wound up company (as the case may be) has a vehicle registered in his/its name with the Land Transport Authority (“LTA”), and that the vehicle is under an outstanding hire purchase agreement, the Official Assignee/Official Receiver will place the vehicle on the LTA’s no-transfer list.

3 The Official Assignee/Official Receiver will not seize any vehicle under a hire purchase agreement. The vehicle on hire purchase must be handed over directly to the hire purchase company by the bankrupt or by the representative of the wound up company on the Official Assignee/Official Receiver’s directions.

4 If the bankrupt or representative of the wound up company surrenders the said vehicle to the Official Receiver/Official Assignee, the vehicle will be stored in the Official Assignee/Official Receiver’s warehouse and the hire purchase company will be given a notice in writing to take over physical possession the said vehicle. If the vehicle is not removed from the Official Assignee/Official Receiver’s warehouse within seven working days from the date of the notice, the Official Assignee/Official Receiver reserves the right to claim storage fees from the hire purchase company.

5 The hire purchase company may, in its discretion, decide to sell the vehicle in the open market or seek a third party to pay the balance due under the hire purchase agreement.

I. Sale in the Open Market

6 If the hire purchase company decides to sell the vehicle in the open market, it must make best efforts to secure at least three independent offers to purchase the vehicle. If the highest bid among the three offers is equal to or above the valuation of the vehicle, the hire purchase company may sell the vehicle to the highest bidder. If the sale proceeds exceed the balance due under the hire purchase agreement, the hire purchase company must remit the surplus proceeds to the Official Assignee/Official Receiver, accompanied by the following documents:

- (a) Completed Appendix A;
- (b) A copy of the hire purchase agreement;
- (c) A copy of the certificate of Repossession;
- (d) A copy of the Vehicle & Owner Information obtained from LTA's Vehicle and Registration & Licensing System;
- (e) A copy of the Advertisement (print or online);
- (f) Statement of the amount owed;
- (g) Valuation of the vehicle (Market Valuation or Forced Sale Value; and
- (h) Evidence of offers made to purchase the vehicle.

7 If the highest bid is below the valuation of the vehicle, the hire purchase company must obtain the prior written approval of the Official Assignee/Official Receiver before accepting the bid. The hire purchase company must also submit a completed Appendix B with the documents/information listed in paragraph 6(b) to (h).

8 Upon receipt of the documents listed in paragraph 6 or upon approving the proposed sale of vehicle pursuant to paragraph 7 (as the case may be), the Official Assignee/Official Receiver will instruct LTA to remove the vehicle from its no-transfer list.

II. Settlement by Means Other Than Sale in the Open Market

9 If the hire purchase company, having received full settlement for the balance due under the hire purchase agreement, or for other reasons, releases the bankrupt or wound up company from his/its liability under the hire purchase agreement, then the hire purchase company must deliver the vehicle with the documents/information listed in paragraph 6(b) to (g) to the Official Assignee/Official Receiver within five working days from the date of settlement.

10 If the hire purchase company fails to deliver the vehicle within the stipulated time, the Official Assignee/Official Receiver shall have the right to recover from the hire purchase company any loss in value of the vehicle arising from the delay.



JILL YAN (MS)

OFFICIAL ASSIGNEE/OFFICIAL RECEIVER

12 October 2017

APPENDIX A

SALE OF VEHICLE UNDER HIRE PURCHASE AGREEMENT
(FOR OFFERS AT OR ABOVE VALUATION PRICE)

To: Official Assignee/Official Receiver

Dear Sir/Mdm

Name of Bankrupt / Wound up :
company

Bankruptcy / CWU / Reference : _____
No.

Vehicle No. : _____

Make/Model : _____ Vehicle : New / 2nd Hand

Year of Manufacture : _____

The above vehicle was put up for sale. Details of the offers are as follows:-

<u>Particulars of Offerors</u>	<u>Price</u>
_____	_____
_____	_____
_____	_____

We accepted the offer from _____ for \$ _____,
which is the highest offer.

Amount outstanding to date: \$ _____

Valuation of Vehicle as at (Date) _____ :

\$ _____

APPENDIX B

SALE OF VEHICLE UNDER HIRE PURCHASE AGREEMENT
(FOR OFFERS BELOW VALUATION PRICE)

To: Official Assignee/Official Receiver

Dear Sir/Mdm

Name of Bankrupt / Wound up company : _____

Bankruptcy / CWU / Reference No. : _____

Vehicle No. : _____

Make/Model : _____	Vehicle : New / 2 nd Hand
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Year of Manufacture : _____

The above vehicle was put up for sale. Details of the offers are as follows:

<u>Particulars of Offerors</u>	<u>Price (\$)</u>
_____	_____
_____	_____
_____	_____

The highest price offered is below the valuation of the vehicle. The market valuation/forced sale value is \$_____.

We seek your approval to accept the offer made by _____ for \$ _____ even though it is below the valuation of the vehicle for the following reasons:

Name, Signature of Representative & Date