

RESPONSE TO FEEDBACK RECEIVED FROM PUBLIC CONSULTATION ON PROPOSED DEBT REPAYMENT SCHEME (APR – JUN 2007)

Introduction

The Ministry of Law and the Insolvency & Public Trustee's Office (IPTO) conducted a public consultation on the proposed Debt Repayment Scheme (DRS) from 23 April 2007 to 1 June 2007. A total of 14 feedback submissions were received from industry associations and the public (*please see Annex A for list of respondents*). They were in general support of the DRS.

2. The proposed DRS seeks a win-win outcome by balancing the interests of creditors and the debtor. If he dutifully meets his financial obligations under the DRS, the debtor will be able to avoid bankruptcy, its social stigma, disqualifications and disabilities, and will be given a fresh start. In turn, he will repay as much as possible to his creditors through apportioning his income, the realisation of his relevant assets and making adjustments to his lifestyle where necessary. His creditors will receive no less than what they would have received had the debtor gone into bankruptcy. The proposed DRS procedure can be found in the public consultation paper issued on 23 April 2007.

3. We thank all respondents for their feedback. MinLaw and IPTO have studied the comments and suggestions received, and will incorporate the suggestions accepted into the DRS procedure. Feedback which are of wider interest and our responses are set out in Annex B.

4. A Bill is being drafted to introduce the DRS framework into the Bankruptcy Act. We will put up the draft Bill for public consultation in early 2008.