

SECTION N – TERMINATION OF ADMINISTRATION

Composition Procedure:

The court **must**, *ex officio*, discontinue the procedure if the following event occurs:

- 1) the debtor does not submit the Composition plan prior to the approval of composition; or
- 2) the resolution approving the Composition plan is not adopted within 2 months of the first meeting of creditors or the extended period given by the court.

The court **may**, *ex officio*, discontinue the procedure if the following event occurs:

- 1) the debtor violates the preservation order of the court; or
- 2) the debtor acts not in the ordinary course of business without the consent of administrator.

In such cases, if the debtor has any reason to claim bankruptcy, then the court may, *ex officio*, adjudicate the bankruptcy and the creditors or debtor may apply for the bankruptcy procedure to the court.

Reorganization Procedure:

After the commencement of the Reorganization procedure and before the approval of reorganization plan, the court shall, *ex officio*, discontinue of the procedure in any of following cases:

- 1) the Reorganization plan is not submitted within the period specified by the court;
- 2) the interested parties disapproves the Reorganization plan; or
- 3) the resolution approving the organization plan is not adopted within 2 months of the first meeting of interested persons or extended period given by the court.

Additionally, when it has become unquestionably clear that the reorganization of the business is not possible, even before the approval of the Reorganization plan, the court shall, upon application of the receiver or its own motion, discontinue the Reorganization procedure. Also if it has become clear that the debtor is able to make

complete payments of obligations to the Reorganization creditors during the proceeding and before the approval of the plan, the court may rule for discontinuance of the Reorganization procedure.

Bankruptcy Procedure:

The bankruptcy procedure shall be terminated when the complete distribution of the proceeds of bankrupt estate occurs.

Furthermore, the court may discontinue the Bankruptcy procedure upon receiving the application of the bankrupted party, by furnishing a security, has obtained consents from the non-consenting creditors who did not give its consent previously. Also in cases where the court has found the bankrupt estate is insufficient to cover the costs of the Bankruptcy procedure, the court shall rule for discontinuance of the procedure.