

SECTION M - INVESTIGATION BY ADMINISTRATORS

- a) *In relation to each type of insolvency procedure available in the legal system of this economy, by what means may the administration of the corporate debtor be terminated?*

Where the court has before it a business reorganization petition but a planner has not yet been appointed, the powers and duties of the debtor's executive in managing the business and assets shall cease.

When the court has ordered the debtor to be placed under receivership, the administration of the corporate debtor may be terminated. In such a situation, the receiver will manage and dispose of the assets of the debtor, or do any necessary act to complete any pending business of the debtor.

- b) *Who may initiate the termination of each type of insolvency procedure?*

The debtor, the creditors, or the receiver by the approval of the court may initiate the termination of each type of insolvency procedure.

- c) *On what grounds may each type of insolvency procedure be terminated?*

Upon application by an interested person or the receiver, the court is empowered to order the termination of the bankruptcy action in any of the following cases:

- 1) The receiver is unable to proceed for the benefit of the creditors as a whole because the petitioning creditor does not assist or refuses to pay fees or expenses or to deposit a guarantee bond as demanded by the receiver, and no other creditor is able and willing to do so.
- 2) The debtor should not be adjudged a bankrupt.
- 3) The debts of the bankrupt have been paid in full.
- 4) When the receiver has made the final distribution, or when there are no more assets for distribution amongst the creditors, and during the following ten year period, the receiver has not been able to collect any further assets of the bankrupt person, and no creditor has asked the receiver to arrange for the collection of any assets of the

bankrupt person.

(d)What are the consequences for the corporate debtor of termination of the insolvency procedure? (For example to whom does control of the debtor revert following termination of the procedure; or if the debtor no longer exists, what are the procedures for and consequences of its dissolution?)

An order to terminate the bankruptcy because the petitioning creditor does not assist or refuses to pay fees or expenses or to deposit a guarantee bond as demanded by the receiver and no other creditor is capable and willing to do so within one month from the date when the petitioning creditor objected to or omitted to do so and because the debtor should not be adjudged a bankrupt shall not release the debtor from liability for debts in any way. Upon such termination, if the debtor still exists, the power to control the debtor's business shall revert to its director or its executive.