

business recovery & insolvency bankruptcy...

Only individuals can be made bankrupt. Bankruptcy a formal procedure through the court for an individual who can not pay their debts to ensure that their assets are realised and distributed fairly amongst the creditors.

Individuals can petition for their own bankruptcy. Alternatively creditors who are owed money can present a petition.

For the period which an individual is bankrupt there are various restrictions which apply. These include...

- Not obtaining credit for more than £500 from anyone without disclosing that they are an undischarged bankrupt,
- Not carrying on business under a name different from that under which he was declared bankrupt without disclosing the fact he is an undischarged bankrupt,
- Not acting as a director of a company or being involved in its management without the consent of the court.

The Official Receiver usually administers the bankrupt's estate. However, frequently the Official Receiver appoints a Licensed Insolvency Practitioner to be Trustee.

The Trustee has a duty to realise the assets which can include the bankrupt's home. Any property acquired after the making of the bankruptcy order, such as assets left in a will can also be claimed by the Trustee.

Usually the bankrupt is discharged after one year, or it can be earlier if the Official Receiver decides to close his file early. Once discharged the bankrupt is released from his bankruptcy debts and can begin to trade again or become a company director without the above restrictions.

However it is possible for the bankrupt to have restrictions imposed on him for a period of fifteen years, subject to his conduct.

We are able to advise both individuals on whether bankruptcy is the most appropriate solution for them and creditors owed money by a bankrupt on the probability of them receiving a dividend.

For further information please contact us on 0845 555 8844 or email us on recovery@dains.com.



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