

Law of the Republic of Belarus

No. 423-Z of July, 18 2000

[As amended at January 4, 2003]

On Economic Insolvency (Bankruptcy)

Adopted by the House of Representatives on June, 22 2000

Approved by the Council of Republic on June, 30 2000

Section I. General Provisions**Article 1. Main Terms Used in the Present Law**

Exclusively for the purposes of the present law the terms used in it have the following meaning:

anti-crisis manager—legal or natural person appointed by the economic court for conducting some procedures of bankruptcy and exercising the powers of anti-crisis manager in accordance with the present Law (hereinafter—manager);

temporal manager—legal or natural person appointed by the economic court for the purposes of checking the presence of grounds for commencement the competitive procedure, and also carrying out measures to provide safety of property of an insolvent and other powers of temporal manager in accordance with the present law;

town-forming organization—legal person, the number of employees of which is not less than one fourth part of the employed population (working places) of the relevant inhabited locality, or due to which functioning (activity) of the life-maintenance of the inhabited locality is provided.

money commitment—commitment to pay a certain sum of money under the contract or in other cases established by the civil legislation to the creditor.

insolvent—insolvent-individual entrepreneur or insolvent-legal person that is a commercial organization, with the exception of state enterprise or non-commercial organization functioning in the form of consumer's association, charitable or other foundation;

interested persons in regard to the insolvent-individual entrepreneur—interested persons in regard to a natural person, being an insolvent-individual entrepreneur, accountant general (accountant) of the insolvent-individual entrepreneur, including those who ended the labor or civil legal relations with the insolvent, if till the moment of commencement of the procedure on the bankruptcy case not more than one

year has passed. Interested persons in regard to the insolvent-individual entrepreneur are considered to be also the persons admitted according to the present Law as interested persons in regard to the natural persons mentioned in the present paragraph;

interested persons in regard to the insolvent-legal person:

legal person being the main dependent or affiliated in regard to the insolvent-legal person;

head of the insolvent-legal person and also persons entering the board of the directors (supervising board) of the insolvent, collegial executive body or other body of the insolvent-legal person, or other persons authorized according to the statutory documents, contracts or legislation to manage the insolvent-legal person, accountant general (accountant) of the insolvent-legal person, including those dismissed from the office and (or) those who ended their labor civil legal relations with the insolvent, if till the moment of commencement the bankruptcy case not more than one year has passed. Interested persons in regard to the insolvent-legal person are considered to be person, admitted according to the present Law as interested person in regard to the natural persons mentioned in the present paragraph;

interested persons in regard to the creditor (competitive creditor):

interested person in regard to the natural person being the creditor (competitive creditor);

legal person being the main, dependent or affiliated in regard to the creditor (competitive creditor)-legal person;

head of the creditor (competitive creditor)-legal person and also persons entering the board of the directors (supervising board) of the creditor (competitive creditor), collegial executive body or other body of creditor (competitive creditor)-legal person or other persons authorized according to the statutory documents, contracts or legislation to carry out functions of management in regard to the creditor (competitive creditor)-legal person, accountant general (accountant) of the creditor (competitive creditor)-legal person including those dismissed from the office and (or) those who ended the labor or civil legal relations with this creditor (competitive creditor)-legal person, if till the moment of commencement the procedure of the bankruptcy case not more than one year has passed. Interested persons in regard to the creditor (competitive creditor)-legal person are considered persons admitted according to the present law as interested persons in regard to the natural persons mentioned in the present paragraph;

other persons admitted according to the legislative acts as interested persons in regard to the creditor (competitive creditor);

interested person in regard to the natural person-husband (wife), relatives under the ascending and descending lines, sister, brothers and relatives of sisters and brothers under the descending line, relatives of husband (wife) and relatives of sisters and brothers of husband (wife) under the descending line, and also other members of family of the natural person;

interested persons in regard to the manager (temporal manager):

legal person being the main, dependent or branch in regard to the manager (temporal manager)-legal person;

head of the manager (temporal manager)-legal person and also persons entering the board of the directors (supervising board) of the manager (temporal manager), collegial executive body or other body of the manager (temporal manager)-legal person, or other natural persons authorized according to the statutory documents, contracts or legislation to carry out the functions of managing in regard to the manager (temporal manager)-legal person, accountant general (accountant) of the manager (temporal manager)-legal person, including those dismissed from the office and (or) those who ended their labor or civil legal relations with the manager (temporal manager), if till the moment of commencement the procedure of bankruptcy not more than one year has passed. Interested persons in regard to the manager (temporal manager)-legal person are considered also persons admitted according to the present Law as interested persons in regard to the natural persons mentioned in the present paragraph;

interested persons in regard to the natural person being the manager (temporal manager);

protection period—a procedure of bankruptcy carried out for the purposes of maximal possible satisfaction of the claims of the creditors in the established order, protection of right and legal interests of the insolvent, and also creditors and other persons at the process of readjustment, and at impossibility of conducting the readjustment or non-present of the grounds for its conduction-in the process of liquidation of the insolvent-legal person or stoppage of the activity of the insolvent-individual entrepreneur and its freeing for the debt;

competitive creditors-creditors under the payment commitment excluding the citizens in front of who the insolvent bears the responsibility for causing harm to their lives or health, and also the founders (participants) of the insolvent-legal person, in front of who the insolvent bears responsibility under the commitments sequent from this participation, or the representative of the employees of the insolvent—under the commitments sequent form the labor relations and connected to them;

liquidation procedure—procedure of the competitive process, applied to the insolvent admitted bankrupt for the purposes of liquidation of the insolvent-legal person or stoppage of the activity of the insolvent-individual entrepreneur and his freeing from the debts, sale of property of the insolvent and proportional satisfaction of the claims of the creditors;

amicable settlement in the procedure of the bankruptcy case—procedure of bankruptcy as an agreement between the insolvent (persons speaking on his behalf in established order) and competitive creditors on the payment of the debts, where the freeing the insolvent from the debts or redaction of debts or installments of the payment and the term of the debt payment and etc. are provided (amicable settlement);

insolvency—incapability to satisfy the claims of the creditor (creditors) under the money commitments and also under the commitments sequent from the labor relations or connected to them, and (or) to carry out the commitment of paying the obligatory payments;

obligatory payments—taxes, dues, duties and other payments to the budget of the relevant level and state non-budget funds that shall be paid according to the legislation by the insolvent, including the economic (financial) sanctions applicable to the insolvent;

payment commitments—responsibility of the insolvent to carry out the money commitments and (or) to carry out the obligatory payments;

representative of the employees of the insolvent—a person authorized by the employees of insolvent to represent their interests;

restructuring—changing (rationalization) of the manufacturing, organizational, social, financial and other sphere of activity of the insolvent for the purposes of restoration of its profitability work and increasing the competitiveness;

a head of the insolvent-legal person—individual executive body of the insolvent-legal person, and also other persons carrying out according to the legislation the activity on behalf of the insolvent-legal person without a letter of authority (hereinafter—a head of the insolvent);

readjustment—procedure of the competitive process providing the transmission of the property right, change of the contractual and other commitments, reorganization, restructuring or give financial support to the insolvent carried out for the restoration of the stable solvency and settlement of the relations of the insolvent and creditors within the established periods of time;

economic insolvency (bankruptcy)—insolvency having or acquiring the stable character recognized by the economic court according to the present Law or lawfully declared by the insolvent according to the requirements of the present Law (hereinafter—bankruptcy).

Article 2. Relations Regulated by the Present Law

The present Law establishes the grounds for the recognition the insolvent bankrupt by the economic court or declaring its (his) bankruptcy by the insolvent, regulates the order and conditions of conducting the procedure under the bankruptcy case, taking measures on prevention of the bankruptcy and other relations appearing at insolvency of the insolvent for the purposes of conducting the readjustment, and at the impossibility of conducting the readjustment or non-presence of the grounds for its conducting—during the process of liquidation of the insolvent-legal person or termination of the activity of the insolvent-individual entrepreneur and free it (him) from paying the debts.

If otherwise is not established by the Constitution of the Republic of Belarus, the President of the Republic of Belarus can establish the grounds for suspension of any procedure of the bankruptcy process or procedure connected with it, provide the exemptions including those of individual legal character from the scope of the legal regulation under the present Law, and also take other necessary measures on protection of the sovereignty of the Republic of Belarus, its national security and territorial integrity, public order, life and health of the population, rights and freedoms of citizens, providing the political and

economic stability, succession and cooperation of the bodies of the state power by the relevant legislative act.

Article 3. Relation Between the Legislation of the Republic of Belarus on Bankruptcy and Provisions of International Law

If an international treaty of the Republic of Belarus establishes other rules than those contained in the present Law, the rules of the international treaty of the Republic of Belarus are applied.

To the relations regulated by the present Law where foreign persons participate as creditors, the provisions of the present Law are applied, if international treaties do not provide otherwise.

Decisions of the courts of foreign countries on the bankruptcy cases are recognized on the territory of the Republic of Belarus according to the international treaties of the Republic of Belarus.

At absence of international treaties of the Republic of Belarus connected with bankruptcy, the judicial acts of the foreign states on the bankruptcy cases are recognized on the territory of the Republic of Belarus on the basis of the principle of reciprocity and other norms of international law that are in effect for the Republic of Belarus, if other is not provided by the legislative acts and norms of international law that are in effect for the Republic of Belarus.

Article 4. Determination of the Composition and Size of Payment Commitments and also of the Commitments Sequent from the Labor and Relations Connected with It

The composition and size of the payment commitments and also of the commitments sequent from the labor and relations connected with it are determined at the moment of submitting the application on bankruptcy of the insolvent to the economic court, if present Law does not provide otherwise.

At determination of the presence of the grounds for commencement the competitive procedure in relation to insolvent the following is taken to consideration:

size of the commitments sequent from the labor and relations connected to it;

size of payment commitments including the amount of the debt for the goods delivered, works carried out and services rendered, and also sums of credits with consideration of the interest not returned, which are subject to payment by the insolvent for the exception of:

commitments to the citizens, under which the insolvent bears responsibility for causing harm to the life or health;

commitments to the founders (participants) of the insolvent-legal person sequent from this participation;

interests and forfeit (fine, due) subject to payment for non-fulfillment or improper fulfillment of the money commitments.

The size of the payment commitment under the claims of the creditors to the insolvent is considered established, it is approved by the decisions of general or economic court that entered in force, and also in other cases provided by the present Law.

In case, when the insolvent contests the claims of the creditors, the size of the money commitments and (or) of obligatory payments is determined by the economic court in order established by the present Law.

Article 5. Considering a Bankruptcy Case

Bankruptcy case is considered by the economic court in accordance with the Economic Procedure Code of the Republic of Belarus and also other legislative acts in order established by the present Law.

Economic court at considering bankruptcy case has the right to resolve the disputes on recognizing the deals invalid and other disputes between the legal and (or) natural persons connected with the property of the insolvent including on collecting the wage or other reward illegally paid by the insolvent.

Article 6. Right to Submit an Application on Bankruptcy to the Economic Court

The right to submit an application on bankruptcy of the insolvent to the economic court in connection with non-fulfillment of the money commitments is granted to the insolvent, creditor (including the representative of the employees of the insolvent—under the commitments sequent from the labor or relations connected with it), prosecutor, body of state management on bankruptcy affairs, other authorized state bodies, and also legal and natural persons in cases and order provided by the legislation (hereinafter—authorized body).

Right to submit an application on bankruptcy of the insolvent to the economic court in connection with the non-fulfillment of the commitment on paying the obligatory payments is granted to insolvent, taxation and other authorized bodies.

Article 7. Main Conditions for Submitting the Application of Insolvent

A ground for submitting the application of the insolvent on bankruptcy (hereinafter—application of the insolvent) is its insolvency, if it has a stable character.

Insolvent has the right to submit the application of the insolvent to the economic court at the presence of the conditions evidently testifying that the insolvent will be incapable to carry out the payment

commitments and (or) commitments sequent from the labor and relations connected to it at the established term, because of the insolvency acquiring the stable character (at prevision of the bankruptcy).

Insolvent-legal person submits the application of the insolvent to the economic court on the ground of the decision of the body (persons) authorized according to the statutory documents of the insolvent-legal person to take decisions on its liquidation, or on the ground of the decision of the body authorized by the owner of the property of the insolvent-unitary enterprise, if the present Law does not establish otherwise.

Insolvent is obliged in term not exceeding 10 days from the day of submitting the application of the insolvent or reception of the relevant notification, to inform the working staff (collective of the employees of the organization) on submission of application of the insolvent to the economic court or on notification of the economic court on submission of the application on bankruptcy by

Article 8. Necessity of Submission of the Application of the Insolvent to the Economic Court

Insolvent is obliged to submit the application of the insolvent to the economic court in cases when:

satisfaction of the claims of one creditor or several creditors leads to impossibility to carry out money commitments of the insolvent at a full in front of other creditors or termination of the activity of the insolvent-legal person;

body (persons) authorized according to the statutory documents of the insolvent-legal person to make decisions on its liquidation takes decision on submitting the application of the insolvent to the economic court;

body authorized by the owner of the property of the insolvent-unitary enterprise takes decision on submitting the application of insolvent to the economic court;

circumstance provided by part one Article 247 of the present Law is disclosed.

A head of the insolvent, liquidation commission (liquidator) and also other authorized bodies are obliged to submit the application of the insolvent to the economic court, if at conducting the liquidation of the legal person the impossibility of satisfaction of claims of the creditors as full is ascertained.

In cases provided by part one and two of the present Article the application of the insolvent shall be submitted to economic court not later than one month from the moment the relevant ground has appeared.

Not submitting by the insolvent the application of the insolvent in cases and terms provided by the present Article entails subsidiary responsibility of the guilty persons authorized to take or taking decisions on submission the application of insolvent on payment commitments and (or) commitments sequent from the labor and relations connected to it appearing after the term provided in part three of the present Article has passed.

Article 9. Falsified Bankruptcy and Premeditated Bankruptcy

If the application of the insolvent is submitted to the economic court at presence of the possibility to satisfy the claims of creditors at full by the person, on whose behalf the application is submitted, (falsified bankruptcy), the person, on whose behalf the application is submitted, bears the responsibility in front of creditors for the damages (harm including the moral) caused by this action, if the legislation does not establish otherwise.

In case of bankruptcy of the insolvent under the guilt of its founders (participants), owner of its property and other persons including the head of the insolvent having the right to give obligatory instructions to the insolvent or having the possibility to determine its actions in other way (premeditated bankruptcy), subsidiary responsibility under the commitments of the insolvent can be laid on these persons at insufficiency of the property of the insolvent.

Article 10. Main Conditions of Submission of Application of Creditor

Right to submit the application of the creditor on recognizing the insolvent bankrupt (hereinafter-application of creditor) is granted to persons recognized according to the present Law to be competitive creditors, if the present Law does not provide otherwise.

Right to submit the application of creditor to the economic court on behalf of the Republic of Belarus, administrative territorial units of the Republic of Belarus is granted to the authorized bodies.

To the taxation and other authorized bodies do not apply with the provisions of the present Law on creditors, if the present Law do not provide otherwise.

The grounds for submitting the application of the creditor can be the following:

presence of trustworthy information on insolvency of the insolvent by creditor, if this insolvency has or acquires the stable character;

application to the insolvent the compulsory execution, not conducted within a month because of not having the property, or disclosure at the process of compulsory execution, that the insolvent does not have property sufficient for satisfaction of the claims made;

non-fulfillment by the insolvent the payment commitment within the term established by the creditor for paying back and at which ending the creditor intends to submit the application of creditor. The length of the term established by the creditor for paying back and at which ending he intends to submit the application of creditor cannot be less than one month;

non-payment of the money assets to the creditor (creditors) under the commitments sequent from the labor and connected to it relations during the term provide by legislation or established according to it;

insolvency of the insolvent deliberately caused by the actions of the insolvent-individual entrepreneur and (or) by action of the natural person being interested in regard to insolvent, for which they are called to criminal liability according to law;

concealing or embezzlement of the property of the insolvent or taking other actions by the insolvent-individual entrepreneur or by interested person in regard to insolvent as the result of which the insolvent is not able to pay;

insufficiency of the cost of the property of the liquidated legal person for the satisfaction of the claims of the creditors (Article 247 of the present Law);

notification of creditor by the insolvent, to economic court or in mass media about insolvency having or acquiring the stable character including in accordance with the Article 255 of the present Law.

Article 11. Disputes on Referring the Subjects of Law to the Insolvents or Interested Persons

Disputes on referring the subjects of law to the insolvents or interested persons in regard of insolvent, creditor, manager (temporal manager) are resolved by the economic court.

Article 12. Procedures of Bankruptcy

At consideration of case on bankruptcy of the insolvent-legal person the following procedures of bankruptcy are applied:

protective period;

competitive procedure;

amicable settlement;

other procedures of bankruptcy provided by the present Law.

At consideration of bankruptcy case of the insolvent-individual entrepreneur the following procedures of bankruptcy are applied:

competitive procedure;

amicable settlement;

other procedures of bankruptcy provided by the present Law.

Competitive procedure includes the following procedures:

readjustment;

liquidation procedure.

Article 13. Declaring the Insolvent Bankrupt

At absence of the objections of the creditors the insolvent-legal person can declare its bankruptcy and voluntary liquidation in order established by section XII of the present Law.

Article 14. Body of State Management on Bankruptcy Affairs

Body of state management on bankruptcy affairs:

conducts within its competence the state policy on prevention of bankruptcy, and also provides the conditions for realization of the procedures of bankruptcy according to the present Law;

organizes the system of training of the managers;

establishes the professional qualification requirements to the managers and at determining their professional qualification uses the results of tests including the psycho-physiological;

suspends and annuls the licenses of managers;

conducts within its competence accreditation (recognition of powers) of legal and natural persons to carry out the expert activity on the questions of bankruptcy and improvement of the financial state of the insolvents, and also accreditation (recognition of powers) of organization to carry out the training of the managers or to conduct the psycho-physiological testing of the manager candidates;

provides the conduction of the procedure of bankruptcy of the absent insolvent;

conducts within its powers the registration and analysis of the solvency of the state organizations, organizations having the share of the state property in the statutory fund, and also of the organizations having more significant importance for the economy of the country or social sphere;

introduces in cases established by the present Law the preliminary resolution on solvency of the state organizations, organizations having the share of the state property in the statutory fund, and also organizations having more significant importance for the economy of the country or social sphere to the economic court;

has the right to submit to the economic court the application on bankruptcy of the town-forming organizations, state organizations, organizations having the share of the state property in the statutory

fund and also organization having more significant importance for the economy of the country or social sphere on behalf of the state interests;

organizes the elaboration of the resolution on presence of the signs of falsified bankruptcy, premeditated bankruptcy, concealment of the bankruptcy or failure to compensate the damages to the creditor under the inquiry of the general or economic court, prosecution office or other authorized body;

issues within its competence established by the present Law the normative legal acts;

carries out other powers granted to it by the present Law and other legislation.

The body of the state management on the bankruptcy affairs forms the territorial bodies which competence is established within its powers.

Legal persons, individual entrepreneurs, state bodies, their heads, other officials are obliged at the demand of the body of state management on bankruptcy affairs to present documents and other information necessary to carry out the functions by this body without any charge.

Article 15. Measures on Prevention of Bankruptcy

The founders (participants) of the insolvent-legal person, owner of the property of the insolvent-unitary enterprise, individual entrepreneurs, state bodies, local executive and administrative bodies within their competence are obliged to take timely measures on prevention of bankruptcy.

For the purposes of prevention of bankruptcy of the legal persons the founders (participants) of the insolvent-legal person, the owner of the property of the insolvent-unitary enterprise before the moment of submission of the application on bankruptcy of the insolvent to the economic court within their competence take measures directed on improvement of financial state of the insolvent. Creditors or other persons on the ground of the agreement with the insolvent can also take measures directed on improvement of the financial state of the insolvent.

Article 16. Pre-Judicial Financial Aid

Founders (participants) and creditors of the insolvent-legal person, owner of the property of the insolvent-unitary enterprise and other persons within the measures on prevention of the bankruptcy of the legal person can give financial aid to the insolvent.

Giving the pre-judicial financial aid to the insolvent can be accompanied by taking the commitments by the insolvent or other persons on behalf of the persons giving that aid.

Conditions of presenting the pre-judicial financial aid to the insolvent at the expense of the republican budget and state special purpose budget funds and state non-budget funds is determined by the law on

budget of the Republic of Belarus on the relevant financial (budget) year, other legislation and also by contract.

Conditions of presenting the pre-judicial financial aid to the insolvent at the expense of the local budgets and relevant state non-budget funds in accordance with the legislation is determined by the acts of local and administrative bodies and also by contracts.

Article 17. Publication of Information on the Bankruptcy Cases

Under the decision (resolution) of the economic court the mass media publish the information of the bankruptcy case in order, term and on conditions established by the decision (resolution), if the legislation does not provide otherwise.

According to the judicial act of the economic court the printing body of the High Economic Court of the Republic of Belarus or other printing body determined according to legislation and also republican mass media publish the information connected with the procedure on the bankruptcy case in order and term established by this judicial act at the expense of the insolvent, at absence of assets by the insolvent— at the expense of the creditor (creditors), who submitted the application of the creditor, if the legislative acts do not provide otherwise.

Section II. Considering Cases on Bankruptcy

Article 18. Order of Consideration of Bankruptcy Cases

Cases on bankruptcy of the legal person and individual entrepreneurs are considered by the economic court in order established by the Economic Procedure Code of the Republic of Belarus with consideration of peculiarities provided by the present Law and other legislative acts on bankruptcy.

Resolutions on considering cases on bankruptcy provided by the present section are applied, if present Law does not provide otherwise.

Article 19. Jurisdiction over Case on Bankruptcy

Cases on bankruptcy of the legal persons and individual entrepreneurs are considered by the economic court according to the rules of jurisdiction over cases established by the Economic Procedure Code of the Republic of Belarus.

A case on bankruptcy cannot be transmitted for consideration to arbitration court.

Article 20. Persons Participating in the Case on Bankruptcy

Persons participating in the case on bankruptcy are:

insolvent;

manager (temporal manager);

competitive creditors;

taxation and other authorized bodies;

local executive and administrative body of the place residence of the insolvent-legal person;

prosecutor, if the case on bankruptcy is considered under his application or it is provided by the legislation;

body of state management on the bankruptcy affairs in cases provided by the present Law;

other persons in cases provided by the present Law.

Article 21. Persons Participating in the Judicial Procedure on the Bankruptcy Case

In judicial procedure on the bankruptcy case the following persons participate:

representative of the employees of the insolvent;

participant (founder) of the insolvent-legal person, owner of the property of the insolvent-unitary enterprise, their representatives;

other persons in cases provided by the Economic Procedure Code of the Republic of Belarus and present Law.

Article 22. Grounds for Commencement of the Procedure on the Bankruptcy Case

Procedure on case on bankruptcy is started by the economic court on the ground of application of the insolvent submitted according to the provisions of the articles 6-8 or Article 10 of the present Law.

Application on bankruptcy of the insolvent in connection with the non-fulfillment of his duty to pay the obligatory payments can be submitted to the economic court by the body of state management on bankruptcy affairs and also by taxation or other authorized bodies.

Article 23. Form and Content of the Application of the Insolvent

Application of the insolvent is submitted to the economic court in written form. Application of the insolvent is signed by the head of the insolvent or insolvent-individual entrepreneur.

In the application the following shall be stated:

name of economic court, where the application is submitted;

name of the insolvent, its residence, mailing address and bank requisites;

size of claims of the creditors under the money commitments not disputed by the insolvent;

size of debt on compensation of harm caused to the life or health of the citizens and also on paying the dismissal wage, paying wages to the persons working under the labor contract at the insolvent;

sum of fees under the author contracts;

size of debt under the obligatory payments;

grounds for impossibility to satisfy the claims of creditors in a full amount;

information on the writs to the insolvent taken to the procedure by the general and economic courts, and also on enforcement documents;

information on property of the insolvent including money assets and notes payable;

accounts' numbers of the insolvent in the banks and non-bank credit financial organizations, mailing addresses of banks and non-bank credit financial organizations;

information on presence of property sufficient for the coverage of the judicial expenses on the bankruptcy case by the insolvent;

information on commitments of the insolvent, term of execution of which has not come;

other information proving the grounds for submission of the application of the insolvent according to the Article 7 and 8 of the present Law and necessary for proper resolution of case on bankruptcy;

list of the documents attached.

Together with the information provided by part two of the present Article in the application of the insolvent-individual entrepreneur the information of commitments of the insolvent not connected with entrepreneur's activity shall be indicated.

In the application of the insolvent together with the information provided by the present Article the information on petitions of the insolvent can be contained.

Insolvent is obliged to direct the copies of the application of the insolvent to the creditors and other persons participating in the bankruptcy case.

Article 24. Documents Attached to the Application of the Insolvent

To the application of the insolvent besides the documents attached to the writ according to the Economic Procedure Code of the Republic of Belarus the documents are attached proving:

the presence of the debt and also not-capability of the insolvent to satisfy the claims of the creditors at a full amount;

other circumstances, on which the application of insolvent is valid.

To the application of insolvent the following is also attached:

list of creditors and debtors of the applicant with the decoding the notes owed and notes payable with indication of the mailing addresses and bank requisites;

balance sheet on the last date of account or the documents substituting documents, documents on the composition and the cost of property of the insolvent-individual entrepreneur or their copies attested in notarially;

decision of the founders (participants) of the insolvent-legal person or the owner of the property of the insolvent-unitary enterprise on submission the application of the insolvent to the economic court or its copy attested notarially, except for the cases when according to the present Law the submission of the application of insolvent is obligatory;

protocol of the meeting of the employees of the insolvent or its copy attested notarially where the representative of the employees of the insolvent for the participation in the judicial procedure on the bankruptcy case has been elected, if the mentioned meeting was conducted before the submission of the application of insolvent.

Article 25. For and Content of the Application of Creditor

Application of creditor is submitted to the economic court in written form. The application of creditor is signed accordingly by the head of the creditor-legal person or his representative or by creditor-natural person or his representatives.

In the application the following shall be stated:

name of the economic court, where the application is submitted;

name of the insolvent, its mailing address and bank requisites;

name of the creditor, its mailing address and bank requisites;

size of the claims of the creditor to the insolvent with separate indication of the interests payable and forfeit (fine, due);

commitments of the insolvent in front of the creditor, from which the claims appeared, and the term of fulfillment of the commitments;

proofs of the validity of the claims of the creditor including the decision of general and (or) economic court entered in force, and also enforcement documents;

grounds for submission of the application of creditor according to part four Article 10 of the present Law;

other information necessary for proper resolution of bankruptcy case;

list of the documents attached.

In application of creditor the information on petitions that creditor has.

Creditor is obliged to send the copy of the application of creditor to the insolvent.

Article 27. Documents Attached to the Application of Creditor

Besides the documents attached to the writ according to the Economic Procedure Code of the Republic of Belarus the documents proving the following are attached:

commitments of insolvent to the creditor and also presence and size of the debt under the mentioned commitments;

grounds for submission of the application of creditor;

other circumstances, on which the application of creditor is based.

If the application of creditor is signed by the representative of creditor, the letter of authority or other document proving the competence to submit such application are attached to the application.

To the application of creditor the decision of general and (or) economic courts having considered the claims of creditor to the insolvent and enforcement documents are attached (at their presence).

Article 28. Application under the Money Commitments of the Creditors-Republic of Belarus, Administrative Territorial units of the Republic of Belarus.

In cases, when the creditors under the money commitments are the Republic of Belarus, administrative territorial units of the Republic of Belarus the application of creditor can be submitted to the economic court by authorized bodies including the bodies of state management on bankruptcy affairs, by prosecutor or local executive and administrative body.

To the applications of creditors-Republic of Belarus, administrative territorial units of the Republic of Belarus the documents proving the right of the body submitting the application to economic court to submit such an application according to legislation.

Applications of creditors-Republic of Belarus, administrative territorial units of the Republic of Belarus are submitted to the economic court with observance of the requirements provided by the present Law on submission of application of creditor, if legislative acts do not provide otherwise or it does not sequent from the nature of the legal relations.

Article 29. Application under the Obligatory Payments of Creditors-Republic of Belarus, Administrative Territorial units of the Republic of Belarus

Application on bankruptcy of the insolvent submitted by the taxation or other authorized body performing of the behalf the creditors-Republic of Belarus, administrative territorial units of the Republic of Belarus under the obligatory payments shall comply with the claims provided for the application of creditor.

To the application on bankruptcy of the insolvent-legal person submitted by the taxation or other authorized body the documents containing the proofs of taking measures on collecting the debt under the obligatory payments in order established by the legislation are attached.

Article 30. Application of Prosecutor on Bankruptcy of the Insolvent

Prosecutor has the right to submit to economic court the application of the prosecutor on bankruptcy of the insolvent:

when he has revealed the signs of the premeditated bankruptcy, concealment of the bankruptcy;

when the insolvent has the debt on obligatory payments;

on behalf of the creditor-Republic of Belarus, administrative territorial units under the money commitments;

in other cases provided by the present Law and other legislation acts.

Application of the prosecutor on bankruptcy of the insolvent is submitted to economic court with observation of the requirements provided by the present Law for the application of the creditor, if the legislative acts do not provide otherwise or it does not sequent from the nature of the legal relations.

Article 31. Acceptance of the Application on Bankruptcy of the Insolvent

Economic court is obliged to accept the application on bankruptcy of the insolvent to the procedure of the economic court submitted with the observation of requirements provided by the Economic Procedure Code of the Republic of Belarus and present Law.

Question on acceptance of the application on bankruptcy of the insolvent is decided not later than 5 days from the day of submission of the mentioned application to the economic court during the court hearing with participation of creditor, insolvent, and in cases when insolvent-legal person is a town-forming organization having the share of the state property in statutory fund, or organization having more significant importance for the economy of the country of social sphere,--also the body of state management on bankruptcy affairs and (or) other specially authorized body.

Body of state management on bankruptcy affairs presents the preliminary resolution on solvency of the debtor in cases when it is the state organization having the share of state property in statutory fund, or organization having more significant importance for economy of the country or social sphere, that is considered by the economic court at considering the question on acceptance on the application on bankruptcy of insolvent.

On commencement the procedure on the bankruptcy case the economic court passes the resolution.

Article 32. Return the Application on Bankruptcy of the Insolvent

Economic court returns the application on bankruptcy of the insolvent and documents attached to it, if they do not comply with the requirements provided the articles 22-30 of the present Law.

In cases, when the submission of application of insolvent to economic court according to the present Law is obligatory, but to the mentioned application the documents provided by Article 24 of the present Law are not attached, this application is accepted by the economic court and the missing documents in established order are obtained on demand at preparing the bankruptcy case for the court hearing.

Article 33. Protection Period

From the moment of accepting the application on bankruptcy of the insolvent for the purposes of checking the presence of grounds for commencement the competitive procedure and securing the safety of property of the insolvent by the economic court the protection period the length of which cannot exceed three months is established, if the present Law does not provide otherwise.

At introduction of the protection period in the resolution of the economic court on commencement the procedure on the bankruptcy case of the insolvent the appointment of the temporal managers is stated, and also the date of considering the application by the economic court for the resolution of the question on commencement the competitive procedure in relation to the insolvent and preparation the case to the court hearing is stated. In the resolution the measures on securing the claims of the creditors can also be included.

If at the acceptance of the application on bankruptcy of the insolvent it is impossible to determine the candidate of the temporal manager, the economic court passes the resolution on appointing the temporal manager not later than 3 days from the day of accepting the mentioned application.

To the temporal manager the provisions of the present Law on manager are applied, if the present section does not provide otherwise.

Article 34. Measures on Securing the Claims of Creditors

Economic court under the application of the person participating the case on bankruptcy has the right to take measure to secure the claims of creditors according to the rules on securing the writ, provided by the Economic Procedure Code of the Republic of Belarus.

Accept for the measures taken according to the part one of the present Article the economic court has the right to:

oblige the insolvent to give the securities, currency valuables and other property of the insolvent on deposit to the third persons;

take other measures directed to securing the safety of the property of the insolvent.

In the process of protection period under the petition of the person participating in the bankruptcy case containing the trustworthy information on obstructing the activities of the temporal manager at carrying out his duties by the head of the insolvent, or on taking by the head of the insolvent actions violating the right and interests of the insolvent and creditors, or on other infringements of the legislation in force, the economic court has the right to dismiss the head of the insolvent from his office on the term determined by the economic court, and lay on temporal manager the administration of the insolvent and the duties of its head. At that the economic court passes the resolution on dismissal of the head of the insolvent from the office.

In accordance with the resolution of the economic court on dismissal of the head of the insolvent from the office:

person (body) authorized to conclude the labor contract with the head of the insolvent is obliged to dismiss the head of the insolvent, acting as the head of the insolvent under this labor contract from the work on the term determined by the economic court according to the present Law;

on the term determined by the economic court according to the present Law the right of the head of the insolvent on direct management of the insolvent (excluding the rights of the head of the insolvent on carrying out the control functions), of a person acting as the head of the insolvent not under the labor contract are suspended, if legislative acts do not provide otherwise.

Resolution of the court on dismissal of the head of the insolvent from the office can be appealed in order established by the legislative acts including by the head of the insolvent.

Measures on securing the claims of the creditors are taken accordingly till the moment of commencement the competitive procedure and appointing the manager, or till the moment of approving by the economic court the amicable settlement, or till the moment of taking by the economic court the resolution on stoppage of procedure on the bankruptcy case.

Economic court has the right to abolish the measures to secure the claims of creditors till the circumstances provided by the part six of the present Article occur.

Article 35. Rights of the Temporal Manger

Temporal manager has the right to:

make claims to the economic court on recognition of the deals invalid, and also on application of the consequences of invalidity of the bare deals, concluded or fulfilled by the insolvent with the violation of the requirements established by the present Law and other legislative acts;

submit to the economic court the petition on dismissal of the head of the insolvent from the office;

conduct the list (inventorying) and estimation of all movable and immovable property of the insolvent;

submit petition to the economic court on presenting and (or) demanding the necessary documents and resolutions from the organizations, presenting by the insolvent other information connected to economic activity of the insolvent, and also get familiar with such material in the place of their location, if legislation do not provide otherwise;

conduct the expertise of the financial economic activity of the insolvent and analysis of the financial state and solvency of the insolvent independently or engaging through the economic court the insolvent, necessary experts and specialists in order established by legislation;

enter the office buildings of the insolvent and conduct the inspection if otherwise is not determined by the legislation;

carry out other powers according to the present Law under the instruction of the economic court.

The insolvent is obliged to present any information to the temporal manager on his demand connected the activity of the insolvent, if legislation on protection of the state secrets does not provide otherwise.

Article 36. Duties of the Temporal Manager

Temporal manager is obliged:

to take measures on providing the safety of the property of the insolvent and its protection;

to demand the full list of his creditors and debtors with the indication of the sum of the debt, full balance of actives and passives, report on the financial state and other necessary information contained in the books, accounts and other documents;

to determine the creditors of the insolvent and determine the sizes of their claims;

to conduct the analysis of the financial state and solvency of the insolvent;

to assist in organizing the economic activity of the insolvent, making amicable settlement;

to determine the presence of signs of the falsified bankruptcy, premeditated bankruptcy, concealing the bankruptcy or failure to compensate the damages to the creditor;

to carry out the instructions of the economic court sequent from the requirements of the present Law;

to present at the end of the protective period to the economic court the report on the activity and resolution on financial state and solvency of the insolvent.

Article 37. Analysis of the Financial State and Solvency of the Insolvent

At the process of the protection period the analysis of the financial state and solvency of the insolvent is conducted for the purposes of determination of the presence of the ground for commencement the competitive procedure.

Analysis of the financial state and solvency of the insolvent at the process of competitive procedure is conducted for the purposes of determination of the possibility or impossibility of restoration of the solvency of the insolvent, and also measures on restoration of the solvency of the insolvent, if there is a possibility on its restoration.

Analysis of the financial state and solvency of the insolvent is conducted after the determining by the manager (temporal manager) the sufficiency of the property owed by insolvent for the coverage of the judicial costs and costs on paying the compensation to the manager.

Rules of conducting the analysis of the financial state and solvency of the insolvent are established by the body of state management on the bankruptcy affairs.

At necessity for the conduction of the analysis of the financial state and solvency of the insolvent the economic court under the proposal of the manager appoint the expertise of the financial-economic activity of the insolvent.

Article 38. Consequences of Passing the Resolution on Commencement the Procedure on the Bankruptcy Case

From the moment of passing the resolution on commencement the procedure on bankruptcy case:

in the general or economic court or other state body the procedure on case connected with collecting the money assets and (or) its property from the insolvent under the petition of the head of the insolvent, temporal manager or other persons is suspended;

execution of the enforcement documents issued on the grounds of judicial decisions entered in legal force before the moment of passing by the economic court the resolution on commencement the procedure on the bankruptcy case of the insolvent about the property collection except for the execution of the enforcement documents on collecting the debt on compensation of harm caused to life or health of the citizens, moral harm, and also the debt on paying the dismissal wage and wages of the persons working at the insolvent under the labor contract, paying the compensation for the author's contracts, alimonies is suspended;

the satisfaction of the claims of the founders (participants) of the insolvent-legal person on apportion of the share of the property of the insolvent in connection with his exit from the membership of the founders (participants) is prohibited.

Resolution of the economic court on commencement the procedure on the bankruptcy case of the insolvent for the purposes of the taking measures provided by part one of the present Article is directed to the banks or non-bank credit financial organizations with which the insolvent has concluded the contract on opening the bank account and also in the general court, economic court, relevant officers of court, to taxation or other authorized bodies.

Article 39. Managing the Insolvent after Introduction of the Protection Period

Introduction of the protection period is not a ground for dismissal of the head of the insolvent or other bodies of management of the insolvent from the execution of their functions. The head of the insolvent,

other bodies of management of the insolvent and persons representing the insolvent and acting on its behalf (hereinafter-bodies of management of the insolvent), continue to carry out their functions with limitations, established by the parts two, three and four of the present article, if otherwise is not provided by the present Law.

Bodies of management of the insolvent at the process of the protection period can make deals and fulfill the payment commitments only with written agreement of the manager.

Insolvent-legal person at the process of protection period has no right to take decisions on:

reorganization (amalgamation, joining, division, transformation, apportion) or liquidation of the insolvent;

creation of the organizations, entering into organization, exiting the organizations, suspension of the membership in organizations, taking (not taking) measures connected with the participation in the organization, which can worsen the financial state of the insolvent;

creation of affiliated societies and representatives;

paying the dividends;

issuing (giving, placing) the securities;

exit from the membership of the insolvent-legal person;

purchasing the stocks earlier issued from the stock-holders (acquiring from the participant of the insolvent a share of the property the insolvent or its part).

Decision on participating in associations, unions, financial industrial groups and other associations of the legal persons can be taken by the bodies of management of the insolvent only upon the written agreement of the temporal manager.

From the moment of introduction of protection period by the economic court arrest on property of the insolvent can be imposed exclusively within the frameworks of the bankruptcy process and (or) other measures of limitation of the disposal of the property of the insolvent.

Article 40. Response of the Insolvent to the Application on Bankruptcy of the Insolvent

Insolvent within five days from the day of reception of the resolution of economic court on commencement the procedure on bankruptcy case is obliged to direct to the economic court and to the person submitted the application on bankruptcy of the insolvent the response on such application (hereinafter-response of the insolvent). To the response of the insolvent directed to the economic court the documents proving the sending to the person, who submitted the application on bankruptcy of the insolvent, the copies of the response shall be attached.

Besides the information indicated according to the Economic Procedure Code of the Republic of Belarus in the response on the writ the following shall be indicated:

objections of the claims of the applicant that insolvent has;

total sum of debt of the insolvent under the commitments to creditors, paying the wages of the employees of the insolvent and obligatory payments;

information on property that insolvent has, including on money assets on its accounts in banks and non-bank credit financial organizations, these accounts numbers in banks and non-bank credit-financial organizations, mailing addresses of the relevant banks and non-bank credit financial organization.

To the response of the insolvent on the application on bankruptcy of the insolvent the following are attached:

accounts balance on the last date of account or substituting documents;

proofs of satisfaction of the claims of person having submitted the application on bankruptcy of the insolvent in case of their admission by the insolvent.

Absence of the response of the insolvent on the writ does not obstruct the consideration of the bankruptcy case.

Article 41. Grounds for Commencement the Competitive Procedure

Economic court starts the competitive procedure:

if the insolvency of the insolvent has stable character;

at presence of the circumstances clearly proving that the insolvent will be unable to fulfill the payment commitments and (or) make payments on commitments sequent from the labor and connected to it relations, in established term because of its insolvency that acquires the stable order (in prevision of the bankruptcy).

Article 42. Commencement the Competitive Procedure

At the end of the protection period the economic court considers the application (applications) on bankruptcy of the insolvent and also the report of the temporal manager.

At presence of objects of insolvent under the claims of the creditors, taxation and other authorized bodies the economic court checks the validity of the objections of the insolvent.

Under the results of consideration of the application (applications) on bankruptcy of the insolvent the economic court at presence of the grounds provided by Article 41 of the present Law passes the resolution on commencement in relation to the insolvent the competitive procedure and preparation of the case to the court hearing (hereinafter-resolution on opening the competitive procedure), dismisses the temporal manager from his duties, if there was a protection period and also appoints the manager or stops the procedure on the case on bankruptcy of the insolvent.

At resolution of the economic court on opening the competitive procedure the time and place of conduction of first general meeting of creditors can be appointed.

Resolution of the economic court on opening of the competitive procedure within 5 days is passed by the economic court for publication in mass media according to the Article 17 of the present Law.

In the message prepared for publication on the basis of resolution on opening the competitive procedure the following is indicated:

name of economic court that passed the resolution on opening the competitive procedure;

date of passing the resolution on opening the competitive procedure;

name, place of residence and other necessary for the competitive procedure information on insolvent and manager;

term of presenting the claims for creditors;

time and place of conducting the first general meeting of the creditors if it is provided by the resolution on opening the competitive procedure;

other information.

Resolution of the reviewing authority, by which the resolution (decision) of economic court passed (taken) at the procedure of the case on bankruptcy is changed or abolished, is published in order established by the part six and seven of the present article.

Article 43. Preparation of Case on Bankruptcy to the Court Hearing

Preparation of case on bankruptcy to the court hearing is conducted by the economic court in order established by the Economic Procedure code of the Republic of Belarus and present Law.

For the trustworthy and full determination of the financial state and solvency of the insolvent at preparation of the case on bankruptcy to the court hearing and also at considering case on bankruptcy of the economic court appoints the expertise according to the Economic Procedure Code of the Republic of Belarus including on its own initiative.

Article 44. Term of Consideration of Case on Bankruptcy

Case on bankruptcy shall be considered at the economic court sitting in the term not exceeding seven months from the day of submission of the application on bankruptcy of the insolvent to the economic court.

Consideration of case on bankruptcy at the sitting of the economic court can be postponed on the period of time not more than 2 months.

Article 45. Competence of the Economic Court

Under the results of consideration of the case on bankruptcy the economic court takes (passes) one of the following acts:

decision on bankruptcy with readjustment of the insolvent;

decision on bankruptcy with liquidation of the insolvent;

resolution on termination of the bankruptcy procedure.

Article 46. Decision on Bankruptcy

Decision on bankruptcy with readjustment of the insolvent (hereinafter-decision on readjustment) is taken by the economic court at presence of the grounds for conducting the readjustment according to the present Law.

Decision on bankruptcy with liquidation of insolvent-legal person, termination of the activity of the insolvent-individual entrepreneur and freeing him from the debts (hereinafter-decision on opening the liquidation procedure) is taken by the economic court if insolvency of the insolvent has or acquires the stable character according to the present Law at absence of the grounds for conduction of readjustment.

In the decision of the economic court on opening the liquidation procedure in relation to insolvent-individual entrepreneur the recognition of the decision on registration of the insolvent as individual entrepreneur to be without force is mentioned.

Decision of the economic court on readjustment and on opening the liquidation procedure are subject to execution without delay.

If there are proofs testifying the presence of liquidated property at the insolvent, sufficient for satisfaction of the claims of the creditors the economic court has the right under the petition of the

insolvent or other persons participating in case to postpone the consideration of bankruptcy case by suggesting to the insolvent to satisfy the claims of creditors in established by economic court term but not less than the terms provided in Article 44 of the present Law.

Article 47. Grounds for Determination of the Procedure on Bankruptcy Case

Economic court terminates the procedure on bankruptcy case in cases of:

restoration of the solvency of the insolvent at the process of readjustment;

making the amicable settlement;

satisfying all claims of the creditors before the economic court makes the decision on the bankruptcy case;

ascertaining the falsified bankruptcy;

absence of the grounds provided by Article 41 of the present Law.

Economic court terminates the procedure on the bankruptcy case under the petition of the insolvent if the insolvent or third party pay all the debts under the relevant payment commitments of the insolvent and (or) under its commitments sequent from the labor and relations connected to it or third party issues the guarantee of full satisfaction of the claims of the creditors (at presence of written agreement to it of all creditors).

In cases provided by the present Article the economic court passes the resolution on determination of the procedure on case on bankruptcy that within 5 days is transmitted by the economic court for publication in mass media according to the Article 17 of the present Law.

Article 48. Consequences of Passing by Economic Court the Resolution on Determination of the Procedure on Bankruptcy Case

After passing by the economic court the resolution on determination of the procedure on bankruptcy case the powers of the head of the insolvent and other bodies of management of the insolvent, owner of the property of the insolvent-unitary enterprise are restored and other limitations established in connection with the procedure on the case on bankruptcy are taken off.

Article 49. Allocation of the Judicial Costs and Costs on Paying the Reward to the Manager

All judicial costs including paying the state duty, costs for publication of the information connected with the procedure on the bankruptcy case and informing the creditors of the insolvent and also costs for paying the reward to the manager are conducted at the expense of the insolvent and covered at the expense of its property first of all without preliminary putting it on the deposit account of the economic court.

If in the amicable settlement different order of covering the judicial costs is provided, they are covered according to this agreement.

In cases of taking by the economic court the application on bankruptcy or determination of the procedure on the bankruptcy case in connection with the conclusion of the amicable agreement the costs of the procedure on the bankruptcy case are covered at the expense of property of the insolvent, if amicable agreement does not provide otherwise.

In case of passing by economic court the resolution on determination of the procedure on the bankruptcy case in connection with the absence of the grounds provided by Article 41 of the present Law, the costs provided by part one of the present Article are referred to the creditors submitting the application of creditor to the economic court and are allocated among them proportionally to their claims.

Creditor is obliged to compensate the damage (harm including moral) caused to the insolvent by the application of creditor if the application has contained the information having the frivolous character.

The order of the allocation of judicial costs and costs for paying the reward to the manager are established in the resolution (decision) of the economic court, passes (taken) at the process of the bankruptcy procedure.

Article 50. Consideration of Applications of Manager and Complaints of the Creditor (Creditors)

Applications of the manager including those on the difficulties that appeared between him and the creditors and also the complaints of the creditors on violation of their rights and interests submitted according to the present Law at the process of protection period or at the process of competitive procedure are considered at the sitting of the economic court not later than 14 days from the day of submission of the mentioned applications and complaints to the economic court.

Under the results of consideration of the applications and complaints mentioned in part one of the present Article the economic court passes the resolution.

Difficulties between the manager and representative of the employees of the insolvent on the size of the claims on commitments sequent from the labor or relations connected to it are considered according to the part one and two of the present article.

Resolution of the economic court on the case on bankruptcy can be appealed in cases provided by the Economic Procedure Code of the Republic of Belarus and the present Law.

Article 51. Reward to the Manager

Economic court according to the Article 77 of the present Law appoints the reward to the manager within the limits determined by the legislation.

Article 52. Fines

For non-fulfillment of the duties by the insolvent provided by parts one, two and three of Article 8, part two Article 32, Article 92, part four Article 96, part three Article 106 and part three Article 147 of the present Law economic court has the right to impose on the guilty insolvent-legal person and (or) on interested person in regard to insolvent-legal person and (or) on the guilty insolvent-individual entrepreneur the fine at amount up to 100 basic values.

If the creditor and (or) interested person in regard to creditor-legal person in the process of the procedure on the bankruptcy case have done the action, by which the deliberate harm to the interests of other creditors or interests of insolvent was caused, or other person participating in bankruptcy case violated the requirements of the court the economic court can fine the guilty persons at the amount up to 200 basic values.

Section III. Meeting of the Creditors and Committee of the Creditors**Article 53. Meeting of the Creditors**

At the process of competitive procedure the interests of all creditors are represented by the meeting of the creditors and the committee of the creditors is organized in accordance to the present Law.

All actions in regard to the insolvent on behalf of the creditors at the process of the competitive procedure are conducted by the meeting of the creditors and committee of the creditors.

From the moment of commencement by the economic court the competitive procedure the creditors have the right to turn to the insolvent for the purposes of satisfaction of their claims only in order established by the present Law.

Competitive creditors are the participants of the meeting of the creditors with the right to vote. The representative of the employees of the insolvent, judge (judges), who carry out the procedure on the given bankruptcy case, and also persons summoned by the economic court or manager participate in the meeting of creditors.

Organization and conduction of the meeting of creditors is carried out by the manager under the control of the economic court.

The following refers to the exclusive competence of the meeting of creditors:

protection of the claims of creditors in cases provided by the present Law;

taking the decision on approving the plan of readjustment or the plan of liquidation of the insolvent-legal person or the plan of the stoppage of activity of the insolvent-individual entrepreneur and freeing him from the debts;

taking the decision on making the amicable settlement;

taking the decision on forming the committee of creditors, determining its quantity composition, election of members of the committee of creditors or taking the decision on pre-term liquidation of powers of the committee of creditors;

consideration of complaints on the actions of managers;

decision on other questions provided by the present Law.

Competitive creditor at the meeting of creditors has the number of votes proportional to the sum of his claims to the insolvent recognized according to the present Law and established on the date of conducting the meeting of the creditors.

Meeting of the creditors, if the present Law does not provide otherwise, independently from the number of votes of the competitive creditors, presenting at it, is authorized on the condition that the competitive creditors were duly informed about the time and place of the meeting of creditors and could freely assemble in the suggested place of holding of the meeting of creditors at the appointed time.

Article 54. The Order of Calling the Meeting of Creditors

The meeting of creditors is called under the initiative of the manager, the economic court under the application of the committee of creditors or competitive creditors, whose claims under the money commitments, obligatory payments and (or) under the commitments sequent from the labor or relations connected to it make up not less than one third of the total sum of claims introduced to the list of claims of the creditors, or under the initiative of one third of the total quantity of the competitive creditors.

The meeting of creditors under the demand of the committee of creditors or competitive creditors is called up by the manager within 14 days from the day of submitting the application to the manager according to part one of the present article.

The meeting of the creditors is conducted at the residence place of the insolvent or of the economic court that carries out the procedure on this bankruptcy, if the meeting of creditors or committee of creditors do not provide otherwise.

Article 55. The Order of Taking the Decision by the Meeting of Creditors

Decisions of the meeting of creditors on questions put to the vote are taken by the majority of votes from the quantity of votes of competitive creditors presented at the meeting of creditors if other is not provided by the present Law.

At the meeting of creditors the decisions on following questions are taken by the majority of votes from the total quantity of votes of the competitive creditors: approving the plan of readjustment or plan of liquidation of the insolvent-legal person or plan of stoppage of activity of the insolvent-individual entrepreneur and freeing him from the debts:

making the amicable settlement;

submitting to economic court the petition on dismissal of the manager;

determining the conditions of competition in accordance with parts three and four of the Article 172 of the present Law.

In case if at the meeting of creditors the necessary number of votes of the competitive creditors for taking the decisions mentioned in part two of the present Article is not achieved, the second meeting of creditors is called up that is authorized to take such decisions by the majority of votes from the number of votes of competitive creditors presenting at the second meeting on the condition that competitive creditors are duly informed about the time and place of the meeting and could freely assemble in the suggested place of holding of the meeting of creditors at the appointed time.

Article 56. Calling Up the First General Meeting of Creditors

The manager determines the place and time of conducting the first general meeting of creditors, except for the case provided by part four Article 42 of the present Law, notifies on conduction of the first general meeting of creditors of all discovered creditors and also takes measures for publication of the necessary information about the meeting of creditors in accordance with the Article 17 of the present Law. The first meeting of creditors shall take place in term not exceeding 75 days from the day of commencement of the competitive procedure by the economic court.

At the first general meeting of creditors the competitive creditors being present at it have the right to vote.

The manager, judge (judges), who carry out the procedure on that bankruptcy case, the head of the insolvent and representative of the employees of the insolvent that are not the creditors can participate at the first general meeting of creditors without the right to vote.

At the first general meeting of creditors the decision on forming the committee of creditors is taken, its quantity composition is determined, the members of committee of creditors are elected, if the present Law does not provide otherwise, and the question of readjustment or liquidation of the insolvent-legal person

or stoppage of the activity of the insolvent-individual entrepreneurs and freeing him from the debt are preliminary taken, and also other questions provided by the present Law are solved.

Article 57. Lists of the Claims of Creditors

In the list of claims of the creditors the following is indicated:

name of every creditor, its (his) mailing address and bank requisites;

size of the claims of every creditor to the insolvent under the payment commitments and (or) the commitments sequent from the labor and relations connected to it;

the turn of the satisfaction of every claim of the creditor.

The list of claims of creditors is conducted by the manager.

The difficulties appeared between the manager and the creditors on the size and the turn of satisfaction of the claims under the payment commitments and also difficulties appeared between the manager and representative of the employees of the insolvent on the size of the claims under the commitments sequent from the labor and connected to it relations are considered by the economic court in order established by the present Law.

The manager is obliged within 5 working days from the day of reception of such a claim, under the demand of the creditor or his authorized representative or under the application of the creditor to his authorized representative, to direct the appropriate creditor the extract from the list of claims of the creditors containing the information on the turn of satisfaction of the claims of this creditor.

Article 58. The Committee of Creditors

The committee of the creditors represents the interests of the creditors and carries out the control over the actions of the manager in order established by the present Law.

If the quantity of the competitive creditors is less than ten, the decision of the first general meeting of creditors can provide the carrying out the functions of the committee of creditors by the meeting of creditors.

Committee of creditors in order to carry out the functions laid on it has the right to:

demand the presentation according to the present Law the information on financial state of the insolvent and about the process of readjustment and of liquidation procedure from the manager;

appeal according to the present Law to the economic court the actions of the manager.

In the composition of the committee of the creditors the representatives of competitive creditors in quantity determined by the meeting of creditors but not more than 7 persons can be included.

The decisions of the committee of creditors are taken by the majority of votes from the total number of the members of the committee of creditors.

Article 59. The Election of the Committee of Creditors

The members of the committee of creditors are elected at the first general meeting of the creditors for the period of the competitive procedure.

The competence of any member of the committee of creditors can be liquidated pre-term under the decision of the meeting of creditors. This decision can be taken at once in regard to all or several members of the committee of creditors.

The elections of the members of committee of creditors are carried out by the cumulative voting, at which the decision under the sum number of votes determined depending on the size of the claims of creditor is taken.

The claim of the creditor under the payment commitments or commitments sequent form the labor or connected to it relations at the size of 10 basic values gives him the right to have the number of votes equaling the number of members of the creditors, if other order of determination of the number of votes is not established by the legislation.

At the elections of members of the committee of creditors the creditor has the right to give the possessed votes for one candidate or to distribute them among several candidates to the members of the committee of creditors.

The candidates having the majority of votes are considered elected to the membership of the committee of creditors

The members of the committee of creditors can elect the head of the committee of creditors form its membership.

If there are more than 3 members in the committee of creditors, the head of the committee of creditors is elected in obligatory order.

Article 60. Competence of the Committee of Creditors

Committee of creditors has the right to take decision on:

calling up the meeting of creditors;

recommendation to the meeting of creditors to consider the questions on unduly fulfillment by the manager of his obligations and application to economic court the petition of freeing the manager from his office;

on approving or refusal to approve the deals of the insolvent that according to the present Law are concluded with agreement of the committee of creditors;

on presenting to the economic court the candidate of manager assistant;

on other question related according to the legislation to the competence of the meeting of creditors.

Section IV. Manager at the Procedure on Bankruptcy Case

Article 61. Main Purposes of the Manager

At the procedure on bankruptcy case the manager acts on behalf of the insolvent.

The main purposes of the manager are the following:

restoration of the solvency of the insolvent;

providing the maximal possible protection of rights and legal interests of the insolvent and its working staff (collective of the workers of the organization) and also creditors and other persons;

regulating the relations of the insolvent and creditors;

maximal possible satisfaction of the requirements of the creditors in established turn;

assistance of the procedure on bankruptcy case.

At impossibility or absence of the grounds to continue the activity of the insolvent the main purposes of the manager are the following:

carrying out in established order the liquidation of the insolvent-legal person or stoppage of the activity of the insolvent-individual entrepreneurs and freeing him from the debts;

sale of the property of the insolvent;

proportionate satisfaction of the claims of creditors.

Article 62. The Requirements to the Manager

The manager can be a natural person having the high education predominantly economic or judicial, necessary experience of the economic (entrepreneur's) activity and not having the previous convictions.

Manager can also be a legal person. To the head of the manager-legal person as well as to person having the personal liability the requirements established by the present Law are applied to the manager-natural person.

Manager carries out his competence on the basis of the license of manager, if the present Law does not provide otherwise.

For getting the license of manager a natural person claiming to receive it shall pass the attestation on compliance to the professional qualification requirements to the manager and to receive the diploma of the manager. These requirements are also distributed to the head of the legal person claiming to receive the license.

The order and conditions of the training of management, their attestation on compliance of the professional qualification requirements to the manager, the order and grounds of issue and determination of its validity, suspension and annulment of the licenses of manager, order of carrying out the control over activity of the manager, and the order of forming and activity of the commission on licensing the activity of the managers are established in accordance with the present Law by the body of state management on the bankruptcy case.

Manager shall be trusted by the economic court, creditors and insolvent, fulfill the obligations rationally and bona fide.

Manager cannot be an interested person in regard to the insolvent and creditors.

In case if the manager does not inform the economic court that he in accordance with the present Law is the interested person in regard to the insolvent, under the decision of the economic court he can be freed from the fulfillment of the duties of the manager at this procedure on bankruptcy case and also can be disqualified.

Persons participating in bankruptcy case can demur the manager in order and under the grounds provide by the Economic Procedure Code of the Republic of Belarus for the demur of judge and also in connection with the non-compliance of manager with the requirements to the manager according to the present Law.

The state employees, judges, workers of the courts and also of bodies of state control and inspection and other law enforcement bodies cannot fulfill the duties of the manager.

In cases established by the present Law the manager shall have the additional special diploma.

The manager according to the legislation shall be registered as the individual entrepreneur or legal person, if the present Law does not provide otherwise.

The employees of the body of state management on the bankruptcy affairs, judges of the economic courts and workers of the economic courts system do not have the right within 3 years after determination of the work in the mentioned organizations to be managers (temporal managers).

The provision of part 13 of the present Article is expanded to the heads of the state organizations, persons who have received according to the legislation the confidential information on financial state of the insolvents, and also interested persons in regard to the employees of the body of state management on the bankruptcy affairs, judges of the economic courts and workers of the economic courts system, heads of the state organizations, persons, who have received the confidential information on financial state of the insolvents.

Article 63. Inadmissibility of the Interference with the Activity of the Manager

Influence in any form on the manager for the purposes of hampering the fulfillment of his duties of manager at the procedure on bankruptcy case or taking illegal decision or other judicial act of the economic court entails the responsibility according to legislation.

In case of calling the manager to the criminal liability the economic court appoints new manager in order established by the present Law.

Article 64. Associations of Managers

The managers have the right in accordance with the legislation to create the association of manager and specialists on anti-crisis management for protection of their rights and legal interests, presentation of its interests in the state and other bodies and also at solving other matters connected with their activity (hereinafter—associations of managers).

Article 65. Compensation of Costs Connected with the Temporal Residing of the Manager

Costs connected with temporal residing of the manager not having the permanent place of residence in the region of insolvent's residence in connection with fulfillment of his duties are compensated at the expense of the insolvent and are covered at the expense of its property first of all at the amount established by the economic court according to the legislation.

Article 66. Appointing the Manager

Manager is appointed by the economic court from the number of persons offered by the creditors, but when the application on bankruptcy of the insolvent is submitted by the insolvent itself—form the persons, offered by the insolvent, if the present Law does not provide otherwise.

In cases of absence of the suggestions of the candidates of the manager or if the suggestion of the candidate does not meet the requirements to the manager in accordance with the Article 62 of the present Law, and also if the insolvent-legal person is the town-forming organization, the state organization, organization having the share of the state property in the statutory fund, or organization having more significant importance for the economy of the country or social sphere, the manager is appointed by the economic court under the introduction of the body of state management on the bankruptcy affairs or in other cases provided by the present Law – under the introduction of other authorized bodies.

Article 67. Appointing the Temporal Manager

Temporal manager is appointed by the economic court in order established by the Article 66 of the present Law, if the present Law does not provide otherwise.

Article 68. Certificate of the Manager

The manager since the day of passing by the economic court the relevant resolution or other judicial act the document certifying the powers of manager in regard to the insolvent provided in accordance with the present Law is issued (the certificate of the manager). At determination of term of fulfillment of his duties the manager returns the certificate of the manager to the economic court.

The manager starts to fulfill his duties from the moment of reception of the certificate of the manager, if the resolution (decision) of the economic court does not provide otherwise.

Article 69. Assistant (assistants) of Manager

In order to carry out the tasks connected with procedure on bankruptcy case and provision of its activity the manager can engage in order established by the legislation in contractual basis the assistant (assistants) of manager, and also other persons with the payment of their activity form the reward set for the manager.

Assistant of manager cannot be the person interested in regard to the insolvent. In cases if the person engaged as the assistant of the manager is an interested person in regard to the insolvent the manager or the economic court are obliged to deprive the status of the assistant of manager. The economic court is also obliged to pass the resolution on refusal of engaging (usage of work, services) of the assistant (assistants) of manager or other persons engaged in accordance with the part one of the present Article in

cases, if their engaging as well as the fulfillment of their powers given to them cause or may cause harm to the state interests and also to the rights and freedoms of the citizens and other persons.

The resolution of the economic court on refusal of engaging (usage of work, services) of the assistant (assistants) of manager or other persons can be appealed in order established by the legislative acts.

Article 70. Temporal Exercising the Powers of the Manager

In case of temporal disablement of the manager the economic court under the petition of the manager, or at the impossibility of submitting the petition under its initiative, takes the decision on temporal fulfillment of the duties of the manager by other person meeting the requirements of manager in accordance with Article 62 of the present Law, and passing the relevant rights to him. Economic court in 3 days notifies the persons participating in the case and also interested state bodies on the decision taken.

In case, if the temporal transmission of the powers by manager causes harm to the interests of the insolvent and (or) interests of the creditors, the insolvent and (or) creditors have the right to raise the question before the economic court about the change of the manager in order established by the present Law.

The provisions of the present Article can also be applied in relations of manager-legal person that cannot temporally exercise the powers of the manager because of some objective circumstances, if legislation does not provide otherwise.

Article 71. Fulfillment of the Duties of Manager in Several Procedures on Bankruptcy Cases

The same person has the right to carry out the duties of manager at the same time in several procedures on bankruptcy cases, if interests of the insolvent are incompatible and this does not influence the quality of fulfillment of the duties of manager in every of these procedures. Quantity of the cases, where the same person carries out the duties of the manager is determined by the manager and economic court on the basis of the complicity and efforts that are required by the manager in the procedure of the bankruptcy case and abilities of the manager. The manager has the right to refuse to carry out the duties of manager in the procedure on bankruptcy case in case, if he is already the manager at one or several procedures on bankruptcy cases.

The question on appointing the manager in the procedure on bankruptcy case of the person that carries out the duties in other bankruptcy case is decided by the economic court separately on every bankruptcy case at appointing the manager according to the present Law.

Article 72. Information about the Manager

The printing body of the High Economic Court of the Republic of Belarus, printing body of the state management of the bankruptcy affairs and also other mass media publish according to the legislation the represented by the body of state management on bankruptcy affairs the lists of manager having the licenses to carry out the activity as the managers and other necessary information about them.

Information about the manager under the concrete case on bankruptcy under the resolution of the economic court are published by the printing body of the High Economic court of the Republic of Belarus, printing body of the body of state management on bankruptcy affairs or other republican mass media according to the present Law.

Article 73. Beginning of the Powers of the Manager

The manager begins to carry out his duties from the moment of reception of the certificate of the manager, if the resolution (decision) of court does not provide otherwise.

Article 74. Determination of the Powers of the Manager

The powers of the manager are stopped after freeing him by the economic court from fulfillment of his duties.

Article 75. Rights of the Manager

The manager after the reception of the certificate of the manager in relation to the insolvent according to the legislation has the right to:

carry out the control for the provision of safety of the insolvent's property;

receive the reward;

petition before the economic court for giving and (or) demanding the necessary documents, resolutions from the organization, presenting other information connected with the economic activity of the insolvent and also to get acquainted with the materials at the place of their location, if the legislation does not provide otherwise;

conduct the expertise of the financial economic activity of the insolvent and analysis of the financial state and solvency of the insolvent independently or with engaging the insolvent, necessary experts and specialists through the economic court;

petition before the economic court for summon to the economic court the persons for giving necessary explanations;

call up the meetings of the creditors;

to demand the property that came out of the possession, ownership or economic authority of the insolvent;

submit on behalf of the insolvent the writs to the general court, economic court or other bodies resolving disputes in regard to the insolvent;

dispute the claims of the creditors;

organize the economic activity of the insolvent, conduct the readjustment or liquidation of the insolvent-legal person or stoppage of the activity of the insolvent-individual entrepreneur and freeing him from the debts;

to make deals with the property of the insolvent;

conclude on behalf of the insolvent the amicable settlement;

turn to the economic court at the presence of difficulties with the creditors and in other cases provided by the legislation acts;

claim the refusal to carry out the commitments of the insolvent;

continue to carry out the terms of the labor and collective contracts or dissolve them;

engage the assistants to the work;

exercise other powers sequent from the present Law and other legislation.

Article 76. The Duties of the Manager

The manager from the moment of his appointment is obliged to:

take the property and the business of the insolvent to his authority;

provide the safety of the property of the insolvent and take measures on its protection;

take measures on protection of rights and interests of the working staff (collective of the workers of the organization) of the insolvent;

take measures directed on the search, revelation and return of the property of the insolvent including that is at the third persons possession:

demand the full list of the of his creditors and debtors with the notification of the sum of the debt from the insolvent, also the full accounting balance, report on financial state and other necessary information contained in the books, accounts and other documents;

conduct the distraint (inventarization) and estimation of all movable and non-movable property of the insolvent and ascertain his debts;

conduct the analysis of the financial state and solvency of the insolvent;

determine the presence of the signs of falsified bankruptcy, premeditated bankruptcy, concealment of the bankruptcy or failure to compensate the damages to the creditors;

determine the creditors of the insolvent and organize the protection of their claims;

object in established order on the claims of the creditors to the insolvent;

organize the economic activity of the insolvent, refuse to fulfill the commitments of the insolvent in order established by the present Law;

conduct the apportionment and exclusion from the composition of the property of the insolvent the property of the third persons;

draw up on the basis of the analysis of the financial state and solvency of the insolvent the plan of readjustment and (or) the plan of liquidation of the insolvent-legal person or the plant of stoppage of activity of the insolvent-individual entrepreneur and freeing him from the debts;

carry out the conduction of the readjustment of the insolvent or liquidation procedure;

organize the sale of the property of the insolvent, satisfaction of the claims of the creditors in order established by the present Law;

pass for storage the documents of the insolvent subject to obligatory storage in accordance with legislation;

present in cases provided by the present Law the information to the creditors, insolvent and economic court;

present the reports on his activity to the body of state management on bankruptcy affairs in a form and order established by these bodies;

exercise other powers sequent from the present Law and other legislation.

At the process of the competitive procedure the manager prepares the resolution on financial state and solvency of the insolvent that is included into the plan of readjustment and (or) plan of liquidation of the insolvent-legal person or plant of stoppage of activity of the insolvent-individual entrepreneur and freeing him form the debts.

Article 77. Setting the Reward to the Manager

The reward to the manager is set for every month of fulfillment of the duties of manager at the size determined by the economic court under the proposal of the meeting of creditors, if the present Law does not provide otherwise.

The minimal amount of the reward to the manager and also the order of its payment are determined by the legislation.

In cases provided by the legislation the additional payment is set for the manager paid under the results of his activity.

The reward to the person engaged by the manager for provision of his activity is paid at the amount determined by the economic court from the reward set for the manager, if otherwise is not provided by the provisions of the present Law, setting forth that the reward to the persons engaged by the manager for provision of his activity is paid from the property of the insolvent above the reward set to the manager, or at the expense of the assets of the creditors, if other is not provided by the agreement with creditors.

Article 78. Freeing the Manager from the Fulfillment of the Duties Because of Improper or Careless Fulfillment of Them

If the manager carelessly or improperly fulfills his duties sequent from the legislation on bankruptcy, allows the abuses or careless running of the business of the insolvent, and also if the fulfillment of his duties is impossible because of the objective reasons including in case of bringing the manager to the criminal responsibility, the economic court frees the manager from fulfillment of his duties either under personal initiative, or under the proposal of the creditors or the insolvent, prosecutor, body of state management on bankruptcy cases or other authorized bodies.

Article 79. Appointing the New Manager

Not later than 7 days after freeing the manager from the fulfillment of the duties the economic court appoints a new manager, to whom all business of the insolvent is transferred at the term not more than 14 days from the day of the appointment by the economic court of new manager.

Article 80. The Powers of the Manager after Termination of the Procedure on Bankruptcy Case

Termination of the procedure on bankruptcy case causes the termination of powers of the manager according to the Article 81 of the present Law.

If the procedure on bankruptcy case is terminated because of the amicable settlement, satisfaction of the claims of creditors or restoration of the solvency of the insolvent at the process of readjustment the manager continues to carry out the duties of the head of the insolvent before the appointment (election) of new head of the insolvent and transferring to him the business of the insolvent in order established by the legislation and statutory documents of the insolvent.

The period of passing by the economic court the resolution on termination of the procedure on bankruptcy case before transferring by the manager the business of the insolvent to the new appointed (elected) head of the insolvent cannot exceed 3 months.

Article 81. Freeing the Manager from Fulfillment of the Duties after the Termination of the Procedure on Bankruptcy Case

After termination of the procedure on bankruptcy case on the grounds provided by the present Law or transfer by the manager to new head of the property and business of the insolvent the economic court passes the resolution on freeing the manager from fulfillment of duties.

Economic court passes the resolution on freeing the manager from fulfillment of duties after presentation of report of the manager on his activity in order provided by the present Law.

Article 82. Disqualification of the Manager

The manager, who carries out carelessly and improperly his duties established by the present Law, including being the interested person in regard to the insolvent having allowed the abuse or improper management of the business of the insolvent, and also being brought to criminal liability, under the decision of the economic court can be disqualified not less than for two years. The decision on disqualification of manager is taken by the economic court at the process of procedure on bankruptcy case as under its own initiative so under the petition of the body on state management on bankruptcy affairs, prosecutor and other authorized body.

The decision on disqualification of manager causes the withdrawal of the license of manager.

Article 83. Responsibility of the Manager for the Property Damage

The manager is obliged at the expense of his property to compensate to the creditors or to the insolvent the property damage caused through the fault of the manager.

In case, if the property of the manager-legal person is not enough to compensate the property damage caused through the fault of the manager, the damage is compensated at the expense of the personal property of the head of the manager-legal person.

For the unlawful acts the manager bears responsibility in accordance with the legislation.

The obligatory insurance of the civil liability of the managers (temporal managers) is established by the legislation.

Article 84. Appealing the Actions of the Manager

The creditor or insolvent have the right to submit an appeal on the actions of the manager at the meeting of creditors, if the present Law does not provide otherwise.

The decision of the meeting of creditors that left the appeal on action of the manager without satisfaction can be appealed to the economic court within 10 days.

Article 85. License of the Manager

Activity as the manager at the procedure on bankruptcy case is carried out on the basis on the license of the manager issued in the established order by the body of state management on bankruptcy cases, if the present Law does not provide otherwise.

A natural person meeting the relevant professional qualification requirements for the manager and having the relevant diploma of the manager, and also legal person the head of which meets the requirements to the manager-natural person can be a candidate for reception of the license of manager.

Licenses of the manager can be of three categories: "A", "B", "C".

License of category "A" grants the right to be appoint as the manager under the procedure on bankruptcy case of the insolvent having the number of employees up to 100 persons.

License of category "B" grants the right to be appointed as the manager under the procedure on bankruptcy case of the insolvent having the number of employees up to 1000 persons.

License of category "C" grants the right to be appointed as the manager under the procedure on bankruptcy case of the insolvent without the limit on number of employees.

Persons mentioned in part two of the present Article the license of manager of one of three categories is issued in order established by the body of state management on bankruptcy affairs.

Article 86. The Period of Validity of the License of Manager

License of manager is issued for the period of 5 years. At the expiry of this term the body of state management on bankruptcy affairs is established order decision on possibility of prolongation of the validity of the license of manager for a new period.

The annulment of the license of manager or suspension of its validity at the period of carrying out the duties by the manager is the ground for dismissal of the manager by economic court from fulfillment of his duties.

Article 87. License Fee

A person being a candidate to receive the license of manager pays the license fee at the amount of 50 basic values established in accordance with the legislation on the date of submitting the relevant application. A person being a candidate on prolongation of the period of validity of the license pays the license fee at the amount of 25 basic values established in accordance with the legislation on the date of submitting the relevant application. A person being a candidate to receive the license of a higher category compared to the one received earlier, candidate to re-register or reception of duplicate of license pays the license fee at the amount of 15 basic values established in accordance with legislation on the date of submitting the relevant application.

The license fee is paid to the republican budget.

Article 88. Grounds for Termination of the Validity of the License of Manager

The validity of the license of manager is terminated:

at the expiration of its validity;

as the result of disqualification of the manager;

in cases of termination of the powers of the head of the manager-legal person, liquidation of that legal person or stoppage of the activity of manager-individual entrepreneur;

in case of annulment as the result of presenting the not-trustworthy information by the person being the candidate to receive the license of manager and under other grounds provided by legislation.

Section V. Opening the Competitive Procedure

Article 89. General Provision on Competitive Procedure

Passing by the economic court the resolution on opening the competitive procedure causes the opening the competitive procedure in relation to the insolvent.

General term of the competitive procedure is 16 months at conducting the liquidation procedure, and at conducting the readjustment—22 months.

The period of competitive procedure can be deduced or prolonged by the economic court according to the present Law.

Article 90. The Consequences of Opening the Competitive Procedure

From the day of passing by the economic court the resolution on opening the competitive procedure (hereinafter—moment of opening of the competitive procedure):

person (body) authorized to conclude the labor contract with the head of the organization-insolvent shall dismiss the head from the work under that contract on the period determined by the economic court in accordance with the legislation;

rights of the head of the insolvent to directly running the insolvent (except for the rights of the head of the insolvent to carry out the control functions)rights of the person acting as the head of the insolvent not under the labor contract are suspended, if otherwise is not provided by the legislative acts (hereinafter—dismissal of the head of the insolvent from the office);

running the business of the insolvent is laid on the manager;

the powers of the bodies of management of the insolvent and the owners of the property of the insolvent-unitary enterprise are suspended;

powers of the head of he insolvent and other bodies of management of the insolvent are transferred to the manager, except for the powers passing in accordance with the present Law to other persons (bodies);

bodies of management of the insolvent within 3 days from the day of appointment of the manager are obliged to provide the transfer of the accounting and other documentation, seals, stamps, material and other valuables of the insolvent-legal person to the manager;

the right to administrate the property of the insolvent is transferred to the manager;

the duty of the pre-term fulfillment of all money commitments of the insolvent and also of paying the obligatory payments of the insolvent that were earlier postponed appears;

setting of interests, forfeit (fine, fee) and other economic (financial) sanctions on all kinds of insolvent's debt is suspended;

information on financial state of the insolvent on the period of conducting the competitive procedure are not referred as the category of information having a confidential character or being a commercial secret;

to make deals connected with the property of the insolvent is allowed only in order established by the present Law;

the measures taken earlier on securing the claims of the creditor are abolished, the arrest on property of the insolvent and other limitations on disposal of the property of the insolvent put earlier on the property of the insolvent within the civil or economic court procedures are removed except for cases established by the economic court;

suspension of the satisfaction of the claims of the creditors under the payment commitments of the insolvent till the end of the liquidation procedure or passing the resolution on determination of the procedure on bankruptcy case of the insolvent is introduced except for the case provided by the present Law;

putting arrest on the property of the insolvent and other limitations on disposal of the property of the insolvent within the civil or economic court procedure is carried out at the necessary only by the economic court considering the case on bankruptcy of this insolvent, if otherwise is not established by the legislative acts;

all the claims of the creditors to the insolvent can be made only in order established by the present Law;

fulfillment of the commitments of the insolvent is allowed in cases and order established by the present Law;

information of opening the competitive procedure in relation to the insolvent for the purposes of informing all the creditors and interested persons is published in mass media in order established by the present Law;

the necessary notes in relevant registers and lists of registration of the insolvent and his property are made;

other consequences provided by the present Law appear.

Article 91. Suspension of the Satisfaction of the Claims of Creditors under the Payment Commitments

Suspension of the satisfaction of the claims of creditors is expanded to the payment commitments of the insolvent if the present Law does not provide otherwise.

Within the term of suspension of satisfaction of claims of the creditors under the payment commitments:

collection under the enforcement and other documents presented for execution as indisputable (without an accept) charge-off the assets is not allowed;

the execution of the enforcement documents issued on the basis of judicial decisions that have entered in force before the moment of passing by the economic court the resolution on commencement the procedure on the bankruptcy case of the insolvent under the property sanctions except for execution of the enforcement documents on collection the debt on compensating the damage caused to life and health of the citizens and moral harm and also the debt on paying the dismissal pay and wages of persons working at the insolvent under the labor contract, paying the reward under the author's contracts and alimonies are suspended;

the satisfaction of the claims of the founder (participant) of the insolvent-legal person on apportioning the share in the property of the insolvent in connection with his exit from the number of founders (participants) is prohibited, if the present Law does not provide otherwise;

the interests, forfeit (fine, fee) and other economic (financial) sanctions for non-fulfillment or improper fulfillment of the payment commitments are not imposed.

On the sum of the claims of the creditors under the money commitments in the size determined in accordance with the Article 4 of the present Law on the date of opening the competitive procedure the interest are imposed in order established by the Article 366 of the Civil Code of the Republic of Belarus, that are taken at the amount of one fourth part of the National Bank of the Republic of Belarus rate being in effect on the date of paying this interest.

Suspension of satisfaction of the claims of creditors under the payment commitments is expanded also on the claims of creditors on compensating the damage caused by the refusal of manager to execute the contracts of the insolvent.

Suspension of satisfaction of the claims of the creditors under the payment commitments are not expanded on the claims provided by part four Article 102 and part one Article 144 of the present Law, the claims on collecting the debt on compensation of damage caused to life and health of the citizens and moral harm and also the debt on paying the dismissal pay and wages to person working at the insolvent under the labor contract, paying the reward under the author's contracts and alimonies.

Article 92. Duties of the Insolvent

In connection with the procedure on bankruptcy case is obliged, if this does not contradict the legislation on protection of state secrets to present to the economic court, to the manager and to the committee of creditors all information that is demanded by them on his property and debts including property that can be returned.

The insolvent is obliged to be personally present at the court hearing, hearing of the committee of the creditors and meeting of the creditors at the distraintment (inventory) of the property and also to

participate in other judicial actions of the procedure on bankruptcy case, if he is obliged by the economic court and the manager to do so.

Insolvent till the first general meeting of the creditors is obliged to confirm by his signature the rightness of the information on his property and debts and at the necessity to introduce changes and additions to it in the economic court.

Insolvent is prohibited to go abroad without the permission of the economic court during the period commencement from the passing by the economic court the resolution on opening the competitive procedure in relation to the insolvent till the passing the decision on bankruptcy of the insolvent. At this period the insolvent is obliged under the first demand to come to the economic court.

The term of effort of that prohibition established in accordance with part four of the present Article can be prolonged by the economic court till the end of the procedure on the bankruptcy case with passing the resolution by the economic court on this question.

In case, if the insolvent is the legal person, the economic court under the suggestion of the manager, insolvent or under its own initiative decides on what natural persons being the interested persons in regard to the insolvent-legal person the duties provided by the present Article are laid, and in relation to who from them the limitations provided by the part four of the present Article are taken, the resolution is passed on this question. The resolution of the economic court provided by the present Article can be appealed in order established by the legislative acts.

Article 93. Determination of the Size of the Claims of the Creditors

The creditors have the right to make their claims to the insolvent within 2 months from the day of publication of the announcement on opening the competitive procedure. The mentioned claims are directed to the manager to the mailing address of the insolvent or to the economic court that carries out the procedure on bankruptcy case. The claims of the creditors, the size of which in accordance with the present Law is considered determined is directed by the manager together with the documents that allow considering the size of the mentioned claims determined.

The manager considers the claims of the creditors submitted not later than 7 days after their reception and under the results of their consideration introduces the relevant notes to the register of the claims of the creditors. The manager notifies the creditors about considering the claims of the creditor at the term not exceeding 7 days from the day of reception of this claim.

If the claim of the creditor is not duly registered or all necessary documents are not submitted, or their copies are not attested in the established order, for the elimination of the revealed mistakes the manager gives the creditor the term not less than 7 working days from the day of reception by the creditor the message of the manager on necessity to eliminate of the revealed mistakes. At the elimination of the mentioned mistakes the date of the submission of the claim is considered the first day of its submission. If after the determination of term established by the manager, the creditor does not eliminate or not fully eliminates the revealed mistakes, the claim is considered not submitted, except for the case, when the

economic court recognizes the reason of non-elimination of the mistakes at the term established by the manager to be valid.

The objections to the claims of the creditors that are considered determined according to the present Law can be directed by the manager to the creditors within 7 working days from the day of reception of the mentioned claims at the condition if:

there is a decision of general or economic court abolishing or changing the relevant decision of the general or economic court on the ground of which the claim of creditor is made;

after the taking the decision of the general or economic court or before making the claim by the creditor the full or partial satisfaction of the mentioned claim has been fulfilled.

The claims of the creditors, under which the manager has not made any objections at the term provided by part two of the present Article are considered to be determined at the size and turn of satisfaction established by the manager, if the present Law does not provide otherwise.

The claims of the creditor, under which the manager has made the objections, are considered in order established by the articles 95-98 of the present Law.

Article 94. Offsetting of the Claims

At the period from the moment of opening of the competitive procedure till the moment of termination of the procedure on bankruptcy case by the economic court or ending the liquidation procedure the offsetting of the claims of the insolvent and creditors not provided by the plan of readjustment approved in accordance with the present Law is not allowed.

Article 95. The Objections under the Results of Consideration of the Claims of Creditors by the Manager

The objections of the results of consideration of the claim of the creditor by the manager (hereinafter—the statement on claim) are made to the manager or to the economic court considering the bankruptcy case in written on term not exceeding 7 working days from the day of reception of the relevant notification by the manager on the results of consideration of the claim of the creditor.

In the statement on claim the content, ground and the size of the claim are indicated.

To the statement on claim the documents proving the claim are enclosed.

The statement on claim is signed by the creditor or his representative.

If the statement on claim is submitted after the termination of the term provided by part one of the preset Article but before the meeting of creditors on protection of the claims or before the consideration of this claim by the economic court and if the term of the submission of the statement on claim is not restored, the claim is accepted for protection or is considered by the economic court but is satisfied after satisfaction of timely submitted claims.

The decision of the meeting of creditors according to which the claim is recognized not submitted or the term of the submission of the statement on claim is not restored can be appealed by the creditor to the economic court.

Article 96. The Meeting of the Creditors on Protection of the Claim

The economic court under the proposal of the manager considers the question on necessity of protection of claims at the meeting of creditors and under the results of this consideration makes the resolution.

If the economic court makes the resolution on protection of the claims at the meeting of the creditors the manager sets the time and place of holding this meeting.

The announcement of the meeting of protection of claims and also about the place of familiarizing with the claims and objections made for the purposes of notification of the economic court, insolvent and creditors is given by the manager to the mass media and is published in accordance with the Article 17 of the present Law not later than 10 days before the date of holding the meeting.

At the meeting of creditors on protection of the claims the insolvent shall be present. In case of absence of the insolvent the meeting of creditors decides whether or not the protection of claims is possible without his presence. The absence of the creditor who submitted the statement on claim at the meeting of creditors on protection of claims does not obstruct the consideration of his claim.

In case, if the insolvent is a legal person, the economic court under the proposal of the insolvent or manager decides, on what natural persons being interested ones in regard to the insolvent-legal person the responsibility of being present at the meeting of the creditors on protection of the claims is laid.

Other rules of holding the meeting of creditors on protection of the claims are established by the legislation.

Article 98. The Disputes on Recognition the Claims

If the economic court has made the decision on protection of the claims at the meeting of creditors or at the meeting of creditors on protection of the claims the claim was not recognized the question on recognition of the claim at the procedure of bankruptcy case on the basis of the statement on claim is considered by the economic court and under the results of this consideration the resolution is made. The

statement on claim shall be submitted to economic court within the term provided by part one Article 95 of the present Law or in case, if the economic court has passes the resolution on protection of the claims at the meeting of creditors, is shall be submitted one more not later than 7 days from the day of holding the meeting of creditors, that had not recognized the claim.

In case of introduction of the proposal on amicable settlement, the economic court can delay the consideration of the question on recognition of the claim till the end of consideration of the question on amicable settlement.

The resolution of the economic court on the question of recognition of the claim can be appealed in order established by the legislative acts.

Article 99. Inventory and Estimation of the Property of the Insolvent

At the process of competitive procedure the manager conducts the inventory and estimation of all the property of the insolvent.

For conducting the inventory and estimation of the property of the insolvent the manager has the right to engage specialists on estimation and other specialists in the established order, preliminary notifying the economic court and meeting of the creditors or the committee of the creditors about it. The payment of the services of persons engaged by the manager to carry out this activity is conducted at the expense of the property of the insolvent in the same turn as the payment of the reward of the manager, if otherwise is not provided by the meeting of the creditors or the committee of the creditors, at the size determined by the economic court.

In case, if the property of the insolvent subject to the sale at the process of competitive procedure is non-movable property it is estimated before the sale with engaging in the established order the independent specialist on estimation, if otherwise is not established by the legislative acts.

In cases, if the engaging in accordance with parts two and three of the present Article of the specialists on estimation and other specialists or exercising the powers given to them harm or can harm to the state interests and also the rights and freedoms of the citizens and other persons the economic court makes the resolution on refusal of engaging (usage of labor, services) of these specialists. At this the economic court indicated in the resolution the necessity of engaging in established order other independent specialist on estimation. The resolution of the economic court provided by the present part can be appealed in order, established by the legislative acts.

Article 100. Registration of the Property of the Insolvent

At carrying out the procedures of bankruptcy the following is excluded from the property of the insolvent at the expense of which the claims of creditors can be satisfied:

property excluded from the circulation;

property rights connected with the personality of the insolvent including the rights based on the license to carry out certain kinds of activity;

other property not included into the property of the insolvent according to the present Law.

For the purposes of conducting the registration of property of the insolvent and also the management of the property and running business of the insolvent the manager has the right with the agreement of the meeting of creditors and after notification the economic court about it to engage accountants, auditors and other specialists not being in the staff of the insolvent-legal person or manager, including making the labor contracts with them. In case, if the engagement of these persons can harm the state interests and also the rights and freedoms of the citizens and other persons the economic court passes the resolution on refusal of engaging (usage of labor, services) of these persons. The resolution of the economic court provided by the present part can be appealed in order established by the legislative acts.

The payment for the work (services) of persons engaged in accordance with part two of the present Article is conducted at the expense of the property of the insolvent in accordance with the turn established by the present Law, at the size determined by the economic court.

Article 101. The Property Not Included into the Scope of the Property of the Insolvent.

At presence of property exempt from circulation in the scope of property of the insolvent the manager informs its owner, economic court and prosecutor about it.

The owner of the property exempt from circulation is obliged to take it in accordance with the legislation from the manager into his management or to assign this property to other person within one month from the day of reception of notification from the manager provided by part one of the present article, if the legislative acts do not provide otherwise.

In case of non-fulfillment by the owner of the property exempted from circulation the duty provided by part two of the present Article after one month from the day of reception of notification from the manager all the expenses for maintaining the property excepted from circulation are conducted at the expense of the owner of the mentioned property.

The dwelling buildings of the social usage, children's pre-school establishments and objects of the communal infrastructure supplying the region are subject to transfer to the management by the relevant administrative territorial unit of the Republic of Belarus (authorized bodies) in order established by part one, two, three of the present article. After one month from the day of reception the notification from the manager the duty on maintenance and provision of functioning of the mentioned objects in accordance with their purpose are laid on the authorized bodies of the relevant administrative territorial unit of the Republic of Belarus.

The transfer of objects mentioned in part four of the present Article to the authorized bodies of the relevant administrative territorial unit of the Republic of Belarus is carried out under the factual state without any additional conditions. Financing of the maintenance of these objects is carrying out at the expenses of relevant local budgets. Money assets spent for maintenance of these objects are compensated by the insolvent in case of restoration of his solvency, if otherwise is not provided by the legislative acts.

The officials of the authorized bodies of the relevant administrative territorial unit of the Republic of Belarus violating or not fulfilling the provisions of the parts four and five of the present Article bear administrative or other responsibility in accordance with the legislation.

Article 102. Bank Account of the Insolvent

The manager is obliged to use only one bank account of the insolvent (hereinafter-main account of the insolvent) at the process of competitive procedure, if otherwise is not provided by the economic court in accordance with legislation.

All accounts of the insolvent in banks and non-bank credit financial organizations known at the moment of opening the competitive procedure and also revealed at the process of competitive procedure excluding the main account of the insolvent are subject to closure by the manager as soon as they are revealed.

The rests of money assets of the insolvent at closure of his accounts shall be transferred to the main account of the insolvent. To the main account of the insolvent also the money assets of the insolvent that are received at the process of competitive procedure are transferred.

From the main account of the insolvent at the process of competitive procedure the following is paid out of turn:

judicial costs;

current payments of the insolvent at the process of competitive procedure for communal, exploitation and other services;

costs connected with the satisfaction of the claims of creditors under money commitments of the insolvent that appeared at the process of the competitive procedure.

From the main account of the insolvent at the process of competitive procedure the payments to creditors at the turn established by Article 138 or 144 of the present Law are made, if otherwise is not provided by the present Law.

The manager presents to the economic court, to the meeting of creditors or committee of creditors under their demand the report on usage of the money assets of the insolvent.

Article 103. Disposal of the Property of the Insolvent

The manager has the right within his competence to dispose the property of the insolvent independently, if it does not contradicts the present Law and other acts of legislation.

Insolvent-individual entrepreneur, the owner of the property of the insolvent-unitary enterprise, founders (participants) of the insolvent-legal person or its bodies of management do not have the right to take the decision or by any other means limit the powers of the manager to dispose the property of the insolvent.

Big bargains and deals, in conclusion of which the manager is interested, are concluded by him only with the agreement of the meeting of the creditors or the committee of creditors after notification the economic court about it, if otherwise is not provided by the present Law and other legislative acts or by the plan of readjustment.

The big bargains are the deals resulting in disposal of the non-movable property or other property of the insolvent, the balance cost of which at the moment of conclusion of the deal exceeds 25% of the balance assets of the insolvent.

Deals, in making which there is an interest, are the deals, where one of the parties is the interested person in regard of the manager, insolvent or competitive creditor.

Persons, in whose disposal there is the property of the insolvent, are prohibited to make deals with the property from the day, when they learned or shall have learned on passing by the economic court the resolution on opening the competitive procedure till the stoppage of the procedure on bankruptcy case or end of the liquidation procedure.

A deal made with the violation of the provisions of the present Article is recognized invalid.

Persons on any ground possessing the property belonging to the insolvent or having the money commitments in front of the insolvent shall inform the manager on term not exceeding 20 days from the day, when they have learned or shall have learned about the passing by the economic court the resolution on opening the competitive procedure. For non-fulfillment of the requirement established by the present part the guilty persons are brought to the liability in accordance with the legislation.

Article 104. Return of the Property of the Insolvent

The manager for the purposes of provision of the return of the property of the insolvent can demand the return of this property:

by presenting the relevant claim to the third persons;

by submitting the writ on returning the property to general or economic court;

by disputing the claim of the creditor at the process of the procedure on bankruptcy case;

by disputing the statement on claim;

by using other means provided by legislation.

Article 105. Presenting Claims to the Third Persons

The manager presents to the third persons having the debt in front of the insolvent the claims on it collection in order established by the legislation or the contract.

At exercising his powers the manager submits at the necessity the writs on recognition invalid of deals concluded by the insolvent, on demanding the property of the insolvent at the third persons, on dissolving the agreements concluded by the insolvent and takes other actions directed to return of the property of the insolvent provided by the present Law.

The manager can submit a writ on return of the property of the insolvent within 3 years from the day of opening the competitive procedure in relation to the insolvent.

At exercising his powers the manager has the right to present the claims to the persons who in accordance with the legislation bear subsidiary liability under the commitments of the insolvent in connection of bringing the insolvent to bankruptcy.

The size of the claims to the persons who in accordance with the legislation bear subsidiary liability under the commitments of the insolvent is determined by the sum of the outstanding claims of the creditors.

Article 106. Economic Disputes with Participation of the Insolvent

If to the general or economic court or to other body resolving economic disputes the writ of the insolvent, in relation to whom the competitive procedure has been opened, to other person in relation of property that can be referred as the property of the insolvent is submitted and the decision under the writ at the moment of passing the resolution on opening the competitive procedure is not made, the manager or his authorized representative act on behalf of the insolvent in the court or other body resolving the disputes.

Procedures on all cases on property claims to the insolvent, in relation to whom the competitive procedure is opened, started by the general and (or) economic courts before the moment of opening the competitive procedure are suspended and joint to the procedure on bankruptcy case. At this the relevant materials of cases under the request of the economic court are passes to the economic court considering the bankruptcy case of this insolvent.

The insolvent is obliged to inform the economic court and the manager about the present of cases mentioned in part one and two of the present article.

Article 107. Claims on Returning the Property Received from the Insolvent

If the return of property received from the insolvent is demanded from the third person, the third person has the right to receive the property transferred to the insolvent back from the manager or not having this property-to compensation of the costs if the legislative acts do not provide otherwise.

At presence of the property received from the third person the economic court has the right to change the return of this property to compensation of its cost.

The third person has the right to present to the manager the claim on apportioning the property transferred to the insolvent within 2 months from the day of opening of the competitive procedure or from the day, when this person without the relevant decision of the manager or economic court transferred the property subject to the return to the insolvent.

Article 108. Claim on Return of the Property of the Insolvent Being at the Possession of Other Persons. Division of Property Being in Common Ownership

The manager demands the return of the property of the insolvent being at possession of other persons, if other is not sequent from the legislative acts.

If the property subject to the return belongs on the right of common ownership to the insolvent and other person (persons), the manager in accordance with the legislation demands the share of the insolvent at the cost of the property being in common ownership including the possible compensations or demands the apportioning the share of the insolvent from the common property in kind. At absence of the urgent necessity of selling the share of the property of the insolvent the manager under the agreement of the meeting of creditors or committee of creditors can hold on the apportioning the share from the property being at common ownership.

Article 109. Excluding the Property from the Scope of the Property of the Insolvent

Exclusion of the property belonging on the right of ownership to other person from the scope of the property of the insolvent is carried out in accordance with legislation under the petition of the owner of this property or body authorized by the owner, if otherwise is not established by the economic court according to the part seven of the present article.

At exclusion of the property from the scope of the property of the insolvent it is returned to its owners including the property being at other persons is returned. The manager provides the safety of this property till its return to the owners.

The petition on exclusion of property from the scope of the property of the insolvent can be made to the manager within 2 months from the day of opening of the competitive procedure. In case of refusal of manager to exclude the property from the scope of property of the insolvent the owner of this property or the body authorized by the owner have the right to submit the writ to the economic court. The writ is submitted to the economic court within 14 days after the refusal of the manager to satisfy the petition on exclusion of the property from the scope of the property of the insolvent or in case, if the manager has not responded on the petition—within 14 days from the day of presenting the petition.

If the manager till the determination of the term provided by part three of the present Article has sold or by any other means has made the alienation of the property subject to exclusion from the scope of the property of the insolvent, the owner of the property or the body authorized by the owner has the right to receive at the expense of the property of the insolvent the compensation of the cost of the property sold according to the turn established by part four Article 102 and part one Article 144 of the present Law or to demand the return of the property from its getter, if the last one knew or must have known that the manager had no right to alien that property or if there are relevant grounds for return of the property received under the bargain because of its invalidity.

If the owner till the opening of the competitive procedure has completed the alienation of the property subject to exclusion from the scope of the property of the insolvent, so the owner of the property or the body authorized by the owner in case of absence of grounds of invalidity of the deal have the right to petition to economic court about the following, if otherwise is not provided by the Civil Code of the Republic of Belarus:

paying them by the getter of the property the cost, if the getter of property has not yet paid for it;

compensation them the cost of the property sold at the expense of the property of the insolvent according to the part four of the present article, if the getter of the property has paid for it after the opening of the competitive procedure;

participation at the competitive procedure on the general basis, if the insolvent before the opening the competitive procedure was paid the compensation of the cost of the property.

If the person, having the right on exclusion of the property from the scope of the property of the insolvent, in case provided by part four of the present Article demands the return of property from its getter, he has the right to submit the writ to the getter of this property within 1 month from the day, when this person has learned or must have learned about the alienation of the property.

The economic court under the petition of the manager at the process of the competitive procedure at conduction of readjustment has the right to refuse to transfer the property subject to the exclusion from the scope of the property of the insolvent or to pay the compensation of its cost to the person having the right on exclusion of the property from the scope of the property of the insolvent. For usage of the property subject to exclusion from the scope of the property of the insolvent the manager is obliged to pay

the compensation to the owner of this property or to other person, in whose property rights is the property and whose right are infringed as the result of inclusion of the property in the scope of the property of the insolvent, or pay the interest from the cost of the property sold, the size of which shall be established by the contract between the manager and the owner of the property or other person, in whose property right the property is and whose right are infringed as the result of the inclusion of the property in the scope of the property of the insolvent, and cannot be less than the rate of the National Bank of the Republic of Belarus established in accordance with Article 366 of the Civil Code of the Republic of Belarus.

Article 110. Transfer of the Property Being under Arrest

The property on which to the moment of commencement the procedure on bankruptcy case or after its commencement within the civil or (and) economic court procedure the arrest is laid, but being not transferred to the collector, is transferred to the manager and is included in the scope of the property of the insolvent.

Article 111. Fulfillment of the Commitments of the Insolvent

The manager has the right to fulfill the commitments of the insolvent in relation to who the competitive procedure is opened or to refuse to fulfill his commitments in order established by the present Article and other legislation.

Under the petition of the authorized person the economic court establishes the term within which the manager shall inform whether or not the commitment of the insolvent. The established by the economic court term shall not exceed one month from the day of submitting the application to the economic court by the authorized person.

The manager can refuse to fulfill the contract of the insolvent only in relation to the contract not fulfilled by the parties entirely or partly if:

the fulfillment of the contract of the insolvent will cause the damages to the insolvent compared to the fulfillment of the similar contracts concluded at the same conditions;

the contract is concluded on the term more than one year or is intended on reception of positive results by the insolvent only after one year from the day of concluding the contract or in long-term perspective;

the fulfillment of the contract of the insolvent causes the additional damages;

there are other circumstances increasing at the process of fulfillment of the contract the insolvency of the insolvent and obstructing its restoration.

The contractor of the contract of the insolvent has the right to demand the compensation of the real damage caused by the refusal of the manager to fulfill the contract.

The provisions of the present Article are not applied to the contracts of the insolvent concluded with the agreement of the temporal manager. The dissolving such contracts is conducted under the grounds and in order established by the civil legislation.

After the opening in relation to the insolvent the competitive procedure the persons having the commitments in front of the insolvent continue to carry out their commitments, if otherwise is not provided by the legislative acts. If after the opening in relation to the insolvent the competitive procedure the persons having the commitments in front of the insolvent suspend or stop the fulfillment of these obligations, the manager has the right to demand the fulfillment of these commitments.

In case, if the insolvent is a leaser, the leaseholder of the property has the right to the dissolve the lease contract.

In case, if the insolvent is a leaseholder, the leaser has the right to demand to dissolve the contract of lease or demand from the manager the guarantee of the fulfillment of the contract on lease at the time of the procedure on the bankruptcy case.

Article 112. Invalidation of the Deals of the Insolvent

The deals of the insolvent including the ones concluded by the insolvent before the moment of opening in relation to him the competitive procedure, under the application of the of the manager are recognized by the economic court to be invalid in cases, when they are concluded during:

6 months before the beginning the procedure on bankruptcy case or after commencement by the economic court the procedure on bankruptcy case, these deals cause the preferable satisfaction of the claims of one creditors compared to other creditors, or these deals are connected with paying to the member of the cooperative (person), exiting (excluded) from the cooperative, the costs of the share, giving other property to the member of the cooperative, exiting the cooperative, or these deals are connected with the reception (alienation) of the property of the insolvent-legal person or it cost or property equivalent to the participant of the insolvent in connection of his exit from the membership of the participants of the insolvent;

one year before the beginning the procedure on bankruptcy case or after the commencement by the economic court the procedure on bankruptcy case, if by these deals the insolvent premeditatedly caused harm to the interests of the creditors and other parties of the deals knew or must have known about it;

3 years before the beginning of the procedure on bankruptcy case or after the commencement by the economic court the procedure on bankruptcy case, if the insolvent caused his insolvent by the criminally punished action, established by the verdict of court that has entered in force, and other parties of the deals know or must have known about it or if the insolvent by conclusion of these deals premeditatedly caused harm to the interests of the creditors and other parties of the deals were the persons interested in regard to the insolvent who as it is supposed, know that the insolvent has caused premeditatedly harm to the interests of the creditors.

At necessity the economic court under the proposal of the manager, prosecutor or under its own initiative decides, the actions of what natural persons being the interested persons in regard to the insolvent-legal person are equated to the actions of the insolvent provided by the paragraphs three and four of the part one of the present article, if otherwise is not established by the legislative acts.

The deals of the insolvent can be recognized invalid also under other grounds provided by the civil legislation.

If the deal in relations to which the petition on recognizing it invalid is made, was concluded after the insolvent has learned or under the circumstances of the case must have learned about the intention of the creditor to submit the statement of the creditor, it is supposed that the insolvent has premeditatedly has caused harm to the interests of the creditor.

Article 113. Recognition of the Contract on Gifting and the Deals Contradicting to the Interests of the State Invalid

The economic court under the application of the manager recognizes invalid the contract on gifting including the one concluded by the insolvent before the moment of opening in relation to him the competitive procedure independently from the wish of the insolvent and the gift-receiver to cause harm to the creditor if the contract is concluded:

during 6 months before the beginning of the procedure on bankruptcy case or after the commencement of the procedure on bankruptcy case by the economic court, if in these cases there is direct or indirect connection with the insolvency of the insolvent or its increase;

during one year before the beginning the procedure on case on bankruptcy, and if the gift-receiver was the person interested in regard to the insolvent,--during 3 years before the beginning of the procedure on bankruptcy case at the condition, if the gift-receiver and the insolvent will not prove that the insolvent after gifting there was the property that was relevant to the size of his debt and on which the collection could be made.

If because of the inequality of the commitments of the parties it is obvious, that the contract of sale and purchase, barter and other deal of the insolvent at least partly concluded not in favor of the insolvent at the price, essentially reduced or increased in relation to the price that is usually taken for the similar goods, works, services (have the character of gifting), the economic court in accordance with part one of the present Article recognizes this deal invalid.

The objects of the gifting, transferred under the gifting contract not required to be concluded in written form in accordance with the legislation in force is not subject to the return.

The deal contradicting the interests of the state is void. At established by the economic court at the process of procedure on case on bankruptcy the fact of concluding the deal that contradicts the interests of the state the economic court applies under its own initiative or under the demand of other persons the following consequences of the invalidity of the deal:

at presence of intention at the both parties of the deal—in case of fulfillment of the deal by the both parties—to the income of the Republic of Belarus all that is received under the deal is collected, and in case of fulfillment of the deal by one party from other party to the income of the Republic of Belarus all that is received and all that is due from it to the other party is collected (the return of the received);

at presence of intention at one party of this deal all that is received by it under the deal shall be returned to other party, and the received by that party or due to it as compensation of the fulfilled is collected into the income of the Republic of Belarus.

Article 114. Collecting the Paid Debt

The economic court under the application of the manager collects the paid debt by the insolvent paying, which has occurred before the moment of opening the competitive procedure in relation to him during:

6 months before the procedure on bankruptcy case or after commencement by the economic court the procedure on bankruptcy case, if the payment was done by the paying assets not provided by the legislation in force or the contract, or before the term of paying the debt or in the sum essentially worsening the economic state of the insolvent at the condition that this payment cannot be considered an ordinary payment of debt;

one year before the beginning the procedure on bankruptcy case or after the commencement by the economic court the procedure on bankruptcy case at condition that the debt is paid to the interested person in relation to the insolvent if this person or the insolvent will not prove that the insolvent at that time was not insolvent and did not become insolvent as the result of paying the debt.

Article 115. Collecting the Wages and (or) Other Reward

The economic court under the application of manager collects from the guilty officials the sum of the dismissal pay, wages and (or) other reward paid by the insolvent in violation of the legislation or the contract during the 18 months before the beginning the procedure on bankruptcy case or at the period after the commencement by the economic court the procedure on bankruptcy case before the moment of opening the competitive procedure in relation to the insolvent.

Article 116. Abolishment of the Division of Property

The division of property between the insolvent-individual entrepreneur and his/her wife (husband) or between the insolvent and other owners of the property belonging to him on the right of common property, when the insolvent has refused his share in the common property or has received less the share due to him, the economic court under the application of the manager recognizes entirely or in the relevant

part invalid at the condition that this division is conducted within 3 years before the beginning of the procedure on bankruptcy case, if other owner of this property or the insolvent will not prove, that at the insolvent after the division the property, that was relevant to the sizes of his debts and on which the collection could be laid, was left.

Article 117. Recognition of the Contract on Pawing

The economic or general court under the application of the manager recognize the contract on pawing invalid, if it was concluded before the moment of opening in relation to the insolvent the competitive procedure together with the appearance of the debt or directly after its appearance and if it is concluded:

during 6 months before the beginning of the procedure on bankruptcy case or after the commencement by the economic court the procedure on bankruptcy case;

with the interested person in regard to the insolvent within one year before the beginning the procedure on bankruptcy case or after the commencement by the economic court the procedure on bankruptcy case, if this person or the insolvent will not prove that the insolvent at that time was not insolvent or did not become insolvent as the result of transfer that deposit.

Article 118. The List of the Property and Debts of the Insolvent

After opening the competitive procedure the manager makes the list of the property and the debts of the insolvent with notification of the cost of the property, sizes and kinds of the debts. The list shall also contain the name of every revealed creditor, the mailing address and bank requisites.

The manager in the shortest term, not later than 10 days before the first general meeting of creditors presents the list of the property and debts of the insolvent to the economic court.

If the list of the property and the debts of the insolvent is presented to the economic court by the insolvent and the manager has no any remarks on it, the new list is not drawn up.

Article 119. Report of the Manager on the Property of the Insolvent

The manager makes the report on the property of the insolvent where the following is stated:

the reason of the insolvency of the insolvent and the time of its appearance;

information on necessity and abilities and on conditions of return of the property of the insolvent;

the claims of the insolvent to the creditors;

the balance sheet of the insolvent-legal person, the data on continuing of its activity;
information on criminal punished actions connected with the insolvency of the insolvent;
other circumstances being essential for the procedure on bankruptcy case.

The manager presents the report on property of the insolvent to the economic court, committee of creditors and for familiarization to the creditors in the shortest term, but not later than 15 days after conducting the first general meeting of the creditors. The economic court under the valid reasons can prolong the term of presenting the report on property of the insolvent to the manager.

Article 120. Informing about the Crime and (or) Other Offence

If the manager has the information on committing the crime and (or) other offence, including those connected with economic activity of the insolvent, the manager is obliged to inform the bodies of prosecution and economic court about it.

Article 121. Money Commitments of the Insolvent at the Process of Competitive Procedure

In case, when the size of the money commitments of the insolvent appeared after the opening of the competitive procedure exceeds 20% of the sum of the claims of the creditors included into the register of the claims of the creditors, the deals causing new money commitments of the insolvent except for the deals provided by the plan of readjustment can be concluded by the manager only with the agreement of the meeting of creditors or the committee of creditors.

Article 122. Regulation of the Expenses of the Insolvent

Decisions causing the increase of the expenses of the insolvent including on wages of the employees of the insolvent can be taken by the manager only with the agreement of the meeting of the creditors or the committee of creditors with the notification of the economic court excluding cases provided by the present Law.

Article 123. Protection of the Interests of the Employees of the Insolvent

The manager in relation to the insolvent as the employer continues to carry out in accordance with legislation the terms of the labor and collective contracts or dissolves them, if otherwise is not provided by the present Law.

In cases and order provided by the legislation the authorized body has the right to conduct the payments to the employees of the state organizations and organization having the share of the state property in the statutory fund towards the compensation of the wages not paid before the opening of the competitive procedure in relation to the insolvent-employer. At that the authorized body making the payments has the right to enter the bankruptcy case as the creditor, recourse claims of which are satisfied in the turn order established by the present Law for paying of labor of persons working under the labor contract.

Article 124. The Plan of Readjustment and Plan of Liquidation

At presence of the grounds for conduction of readjustment the manager on the basis of the analysis of the financial state and solvency of the insolvent shall elaborate the plan of readjustment and present it for approval to the meeting of creditors not later than 7 days from the day of his appointment.

In the plan of readjustment the measures on restoration of the solvency of the insolvent and the term of its restoration shall be provided.

The solvency of the insolvent is recognized restored at the absence of the grounds for commencement of the competitive procedure established by the Article 41 of the present Law.

In case of absence of the grounds for conducting the readjustment of the insolvent the manager elaborates the plan of liquidation of the insolvent-legal person or the plan of stoppage the activity of the insolvent-individual entrepreneur and freeing him from the debts (hereinafter—plan of liquidation) in term provided by part one of the present article.

The manager can elaborate also the alternative plan of readjustment and plan of liquidation.

Into the plan of readjustment and plan of liquidation the resolution on financial state and solvency of the insolvent is included.

Article 125. Consideration of Plan of Readjustment and (or) Plan of Liquidation

The plan of readjustment and (or) plan of liquidation are considered at the meeting of creditors, that is called up by the manager not later than 80 days from the day of publication of the announcement on opening the competitive procedure. The manager in written form notifies all the creditors on the date and place of holding the meeting of creditors and gives them an opportunity to get familiar with the plan of readjustment and (or) the plan of liquidation not later than 10 days before the date of holding the meeting.

The meeting of creditors has the right to take decision on:

approval of the plan of readjustment;

approval of the plan of liquidation at impossibility to continue the activity of the insolvent or absence of the grounds to continue it;

rejection of the plan of readjustment and petitioning to the economic court on opening the liquidation procedure at impossibility to continue the activity of the insolvent or absence of grounds to continue it;

rejection of the plan of readjustment and (or) the plan of liquidation, dismissal of the manager, approval of the new candidate of manager and relevant petitioning to the economic court. This decision shall provide the term of the calling of the next meeting of creditors for consideration of a new plan of readjustment and (or) liquidation, at that the term of calling the meeting of creditors cannot exceed one month from the day of taking the decision by the meeting of creditors.

Approved by the meeting of creditors plan of readjustment or plan of liquidation, and also the protocol of the meeting of creditors are presented by the manager to the economic court not later than 5 days from the date of holding the meeting of creditors.

In case, if in the economic court within 4 months from the day of publication of the announcement on opening the competitive procedure the documents provided by part two and three of the present Article are not presented, the economic court has the right to take decision on opening the liquidation procedure at impossibility to continue the activity of the insolvent or absence of the grounds to continue it.

The manager is prohibited before taking the decision by the meeting of creditors to start the liquidation or continue the liquidation that began before the commencement of the competitive procedure. The manager can begin the readjustment right away after opening the competitive procedure.

Article 126. Prolongation of the Term of Readjustment or Liquidation

In case, when by the meeting of creditors the decision on approval of the plan of readjustment or the plan of liquidation, where the term of readjustment or liquidation exceeds the one firstly set, is taken, the economic court prolongs the term of readjustment or liquidation, if there are sufficient grounds to suppose, that the prolongation of the term of readjustment or liquidation will cause relevantly to restoration of the solvency of the insolvent or to increase of the general sum of the satisfied claims of the creditors with consideration of the provisions of part three of the Article 91 of the present Law.

Article 127. End of the Preparation of the Bankruptcy Case to the Judicial Consideration

The economic court on the grounds of the decision of the meeting of creditors, if otherwise is not provided by the present article, takes the decision on readjustment or on opening the liquidation procedure or approves the amicable settlement.

If the meeting of creditors has not taken the decision on readjustment or liquidation or making the amicable settlement or if none of the mentioned decisions is not presented to the economic court in term

provided by part four of the Article 125 of the present Law, the economic court at the absence of the sufficient grounds to suppose, that the solvency of the insolvent can be restored, takes the decision on opening the liquidation procedure, if otherwise is not provide by the present article.

If the meeting of creditors has taken the decision on petitioning to the economic court on opening the liquidation procedure or if none of the mentioned in part two of the present Article decisions of the meeting of creditors is not presented to the economic court in term provided by part four Article 125 of the present Law, the economic court has the right to take the decision on readjustment in cases, when:

there are sufficient grounds to suppose that the decision of the meeting of creditors on petitioning to the economic court on opening the liquidation procedure has been taken to the damage of the majority of the creditors or there is a real opportunity for restoration of the solvency of the insolvent;

after holding the last meeting of creditors the circumstances appeared, from which there are sufficient grounds to suppose that the solvency of the insolvent can be restored.

Section VI. Readjustment

Article 128. Conducting the Readjustment

Readjustment is conducted by the economic court on the grounds of the decision of the meeting of creditors or under its own initiative in cases provided by the present Law.

The decision of the economic court on readjustment is subject to the immediate enforcement.

The readjustment is conducted for the term not exceeding 18 months from the day of taking the decision on its conduction, if otherwise is not provided by the present Law.

Under the petition of the meeting of creditors or the manager the term of readjustment can be reduced or prolonged by the economic court, but not more than to 12 months, if otherwise is not provided by the present Law.

After the end of readjustment the interest, forfeit (fine, fee) and other economic (financial) sanctions for non-fulfillment or improper fulfillment of the payment commitments, and also the sums of the damages caused that the insolvent shall pay to the creditors under the payment commitments can be presented for pay at the amount existing on the date of opening the competitive procedure reducing the sums paid at the process of conducting the readjustment, if the present Law does not provide otherwise.

Article 129. Measures on Restoration of the Solvency of the Insolvent

For restoration of the solvency of the insolvent the following measures can be taken:

liquidation of the notes payable;

fulfillment of the commitment of the insolvent by the owner of property of the insolvent-unitary enterprise or by the third person (third persons);

granting the financial aid from the special fund at the body of state management on the bankruptcy affairs to the insolvent;

re-profiling the production;

closing the unprofitable productions;

sale of the part of the property of the insolvent;

cession of the insolvent;

presenting to the insolvent the grants, subventions, subsidies;

sale of the enterprises of the insolvent (hereinafter-enterprise);

application of other means.

Article 130. The Sale of the Enterprise

The sale of the enterprise can be provided by the plan of the readjustment, if it allows achieving of objectives of the readjustment more effectively compared to other measures on restoration of the solvency of the insolvent and does not contradict the state or public interests. The decision on inclusion of the provision on possibility of sale of the enterprise to the plan of readjustment is taken after conduction of the expertise appointed by the economic court and that has determined the financial state of the insolvent and possible consequences of the sale of the enterprise except for the cases, if the cost for conducting the relevant expertise is more than one tenth of the cost of the property of the insolvent ascertained by the specialist on estimation of property or the market cost of this property and if other is not provided by the legislative acts.

At the sale of enterprise the whole property complex is alienated including all kinds of property designed for entrepreneur's activity of the insolvent including the buildings, constructions, equipment, implements, raw materials, production, chose in action and also right to marking individualizing the insolvent, his production, works and services (firm name, trademarks, service marks) other exclusive rights belonging to the insolvent, except for the rights and duties that can not be transferred to other persons, and also lands in accordance to the land legislation.

In case, when the insolvent carries out the main kind of his activity on the basis of the license, the purchaser of the enterprise acquires the preference right to receive that license if otherwise is not provided by the legislation.

At sale of the enterprise carried out in accordance with the present article, the payment commitments of the insolvent existing on the date of taking by the economic court the petition on bankruptcy of the insolvent are not included into the composition of the enterprise.

The sum received from the sale of enterprise is included into the scope of the property of the insolvent.

The sale of enterprise is conducted by holding the open auction (hereinafter—auction), if otherwise is not provided by the present Law and other legislation on sale of enterprise of the insolvent.

The manager acts as organizer of the auction under the decision of the economic court special organization for this purpose in order established by legislation, the payment of services of this organization is conducted at the expense of the property of the insolvent at the amount determined by the economic court. The specialized organization conducting the auction cannot be interested person in regard to the insolvent, creditor or manager.

Announcement on sale of the enterprise at the auction is given by the manager for publication in the printing body of the High Economic Court of the Republic of Belarus, printing body of the body of the state management of the bankruptcy affairs or other mass media not later than 30 days before the date of holding the auction.

In the announcements on sale of enterprise the following is indicated:

information on enterprise and order of familiarizing with it, maximal term of submitting the request on acquiring of the enterprise that cannot be less than 14 days and more than one month from the date of publication of the announcement;

time, place and form of holding the auction;

the order of registration of participation in the auction;

the starting price of the enterprise established under the petition of the creditors or committee of creditors in accordance with the legislation by the economic court;

size of the deposit, term and order of its paying;

criteria for revealing the winner of the auction;

order of registration of the results of the auction;

information on organizer of the auction.

In case, if at the term indicated in the announcement on sale of the enterprise one request on acquiring the enterprise is received, the auction on it sale are not conducted.

The enterprise not sold at the first auction can be introduced at the second auction. At that the starting price of the enterprise introduced at second auction, can be reduced under the petition of the meeting of creditors in order established by legislation.

At presence of the agreement of the meeting of creditors or committee of creditors the enterprise can be sold without conducting the second auction.

The sale is held in the form of the auction except for the cases provided by the present Law.

If in cases provided by the present Law the sale can be held in the form of competition, the conditions of the competition are subject to the approval by the meeting of creditors or the committee of creditors, if otherwise is not provided by the legislation.

At the day of conducting the auction a person being the winner of the auction and organizer of the open auction sign the protocol having an effect of the contract.

In case if the sale was held in the form of competition, not later than 20 days form the date of its holding on the basis of the protocol signed on the day of holding the competition by the person being the winner of the competition and organizer of the competition the contract on purchase and sale of the enterprise.

Deposit paid by the person having won the auction, in case of his refusal to sign the protocol or the contract of purchase and sale of the enterprise is included in the scope of the property of the insolvent reducing the costs of the organizer of the auction for it holding.

Procedure on bankruptcy case is withdrawn by the economic court on the basis of application of the manager in case, when the insolvent has the possibility at the expense of the sum received for the sale of the enterprise to satisfy the claims of the creditors at a full amount.

If the sum received from the sale of the enterprise is not enough for satisfaction at the full amount the manager offers the creditors to make the amicable settlement and notifies the prosecutor and (or) specially authorized body mentioned in part 22 of the present article about it.

At not making the amicable settlement the economic court on the grounds of the application of the manager takes the decision on opening the liquidation procedure. At this the plan of liquidation includes the sale of enterprise, conducted earlier except for the cases provided by part 22 of the present article.

Before making the amicable settlement or opening by the economic court the liquidation procedure the manager does not have the right to carry out the payments to the creditors except for the creditors of the first and second turn, if otherwise is not provided by the present Law.

Under the demand of the prosecutor or specially authorized bodies the deal on sale of the enterprise can be recognized invalid, if:

in the result of sale of enterprise it is impossible to continue the activity of the insolvent;

the cost for the enterprise was reduced as the result of unlawful guilty actions (inactions) of the creditors and (or) the manager and (or) other persons engaged for provision of the activity of the manager and (or) special organization conducting the sale;

deal does not allow to achieve the objectives of the readjustment including when the enterprise is sold at the price less than its market price and the sum received from the sale does not satisfy the claims of the creditors at the full amount, even though before making the deal there were sufficient grounds to suppose that these claims would be satisfied at the expense of the money assets received from the sale of the enterprise;

there are other grounds for invalidity of the deal provided by the legislative acts.

Article 131. Sale of the Part of the Property of the Insolvent

After taking by the economic court the decision on readjustment the manager has the right in accordance with the plan of readjustment to start to sell the part of the property of the insolvent at the auction in accordance with the legislation.

The sale is held in the form of the auction, except for the cases provided by the present Law.

The limited circulation capable property of the insolvent can be sold only at the closed auction.

At the closed auction the persons, who in accordance with the legislative acts can have relevant limited circulation capable property on the right of the ownership, take part.

The manager can act as an organizer of the auction or under the decision of economic court in order established by the legislation entrust it holding to the specialized organization on the basis of the contract. Specialized organization conducting the auction cannot be interested person in regard to the insolvent, creditor or manager.

The starting price of the part of the property of the insolvent introduced at the auction is established under the petition of the manager by the economic court.

A person being a winner of the auction is obliged to pay for the acquired part (parts) of the property of the insolvent in term provided by the protocol or contract on purchase and sale by not later than one month from the day of holding the auction.

The part of the property of the insolvent not sold at the first auction is introduced at the second auction, if otherwise is not provided by the plan of readjustment. At that the starting price of the mentioned property can be reduced under the petition of the manager by the economic court:

not more than 10 percent—without an agreement of the meeting of creditors or the committee of creditors;

more than 10 percent—with an agreement of the meeting of creditors or committee of creditors.

At presence of the agreement of the meeting of creditors or the committee of creditors the part of the property of the insolvent not sold at the second auction can be sold by the manager without announcing the auction on the grounds of the concluded contract on purchase and sale if otherwise is not provided by the legislation.

Article 132. Cession of the Claim of the Insolvent

The cession of the claim of the insolvent can be carried out by the manager with the agreement of the meeting of creditors or the committee of creditors by the sale of the claim at the auction if otherwise is not provided by the plan of readjustment.

Article 133. Fulfillment of the Commitments of the Insolvent, Subsidizing the Insolvent, Presenting the Financial Aid

The owner of the property of the insolvent-unitary enterprise at any time before the end of readjustment for the purpose of fulfillment of the commitments of the insolvent has the right to carry out one-time or partly satisfaction of the claims of all the competitive creditors in accordance with the register of the claims of the creditors.

Presenting to the insolvent the grants, subsidies and subventions and also granting other financial aid from the special fund at the body of state management on the bankruptcy affairs is conducted in order established by the legislation.

Article 134. Reports of the Manager at the Process of Readjustment and on the Results of Readjustment

At the process of readjustment the manager every quarter presents to the committee of creditors, and in case of its absence—to the meeting of creditors the report on his activity including the copy of the register of the claims of creditors with the note of the amount of claims satisfied, information on financial state and solvency of the insolvent and information on his property on the date of introduction of readjustment and also upon the demand of the meeting of creditors or the committee of creditors—other necessary information.

The manager is obliged under the demand of the economic court to present to the economic court all information related to readjustment.

The manager is obliged to present to the meeting of creditors the report of the manager about the results of readjustment not later than 15 days before the termination of the established term of readjustment and also at presence of the grounds for its pre-term termination.

In the report of the manager about the results of readjustment the following is indicated:

information on profits and damages of the insolvent;

data on the register of the claims of creditors with noting of the amount of the satisfied claims;

information on presence of the money assets of the insolvent that are directed or can be directed for satisfaction of the claims of creditors under the payment commitments of the insolvent and also his commitments sequent from the labor and connected to them relations;

disclosure of the rest accounts receivable of the insolvent and information about the rest not fulfilled claims of the insolvent;

other information on possibility of satisfaction of the rests accounts payable of the insolvent.

To the report of the manager about the results of the readjustment the register of the claims of the creditors and balance of the insolvent on the last accountable date shall be enclosed.

Together with presentation of the report about the results of readjustment the manager introduces the proposals about the following to the meeting of creditors;

stoppage of readjustment in connection with restoration of the solvency of the insolvent;

making of amicable settlement;

prolongation of the established term of readjustment;

stoppage of readjustment and petitioning to the economic court on opening the liquidation procedure in connection with impossibility to continue the activity of the insolvent or absence of grounds to continue it.

Article 135. Consideration of the Report of the Manager about the Results of Readjustment

The meeting of creditors called not later than 10 days after determination of the established term of readjustment or not later 1 month after appearance of the grounds for it pre-term stoppage considers the report of the manager about the results of readjustment.

The manager not later than 15 days before the determination of the term of readjustment is obliged to present to all creditors the notification on holding the meeting of creditors.

In the notification on holding the meeting of creditors the time and place of holding the meeting of creditors and also the order of familiarizing with the report of the manager about the results of readjustment are indicated.

Under the results of consideration of the report of the manager about the results of the readjustment the meeting of creditors has the right to take decision on:

stoppage of readjustment in connection with restoration of the solvency of the insolvent;

making the amicable settlement;

petitioning to the economic court on prolongation of the established term of readjustment;

petitioning to the economic court on opening the liquidation procedure.

In cases, if the meeting of creditors has not taken any of the decisions mentioned in part four of the present article or this decision is not presented to the economic court within 15 days after the determination of terms provided by part one of the present article the economic court passes the resolution on dismissal of the manager and appointing under the presentation of the body of state management on bankruptcy affairs a new manager.

Article 136. Approving by the Economic Court the Report of the Manager about the Results of the Readjustment

The report of the manager about the results of readjustment considered at the meeting of creditors and the protocol of this meeting is directed to economic court not later than 5 days after holding the meeting.

To the report of the manager about the results of readjustment the register of the claims of the creditors and the complaints of the creditors voting against the decision taken by the meeting of the creditors or not taking part in voting are enclosed.

The report of the manager about the results of readjustment and complaints of the creditors are considered at the hearing of the economic court.

About the time and place of holding the hearing of the economic court he manager and creditors having submitted claims are notified.

If the economic court will establish the validity of the complaints of the creditors or absence of the signs of restoration of the solvency of the insolvent, the economic court refuses to approve the report of the manager about the results of readjustment.

Under the results of consideration of the report of the manger about the results of readjustment and complaints of the creditors the economic court passes the resolution on:

- approval of the report of manager about the results of readjustment;
- refusal to approve the report of the manager about the results of readjustment;
- prolongation of term of readjustment;
- approval of amicable settlement.

The resolution passed by the economic court can be appealed in order established by the legislative acts.

If at the process of readjustment the manager has made payments on less than 50 percent of the claims subject to the payment in accordance with the plan of readjustment, the economic court has the right under its own initiative to dismiss the manager and appoint under the presentation of the body of state management on bankruptcy affairs a new manager in accordance with the present Law.

The economic court at eliminating the impossibility to continue the activity of the insolvent or absence of the grounds to continue it take the decision on opening the liquidation procedure at presence of the petition of the meeting of creditors on opening the liquidation procedure and also in cases of refusal of economic court to approve the report of the manager about the results of readjustment or not presenting the mentioned report within 1 month after the determination of the established term of readjustment.

Article 137. Consequences of the Approval of the Report of the Manager on the Results of Readjustment

The approval by the economic court of the report of the manager about the results of readjustment is a ground for determination of the procedure on bankruptcy case.

At presence of the relevant petition made by the meeting of creditors the economic court has the right to set the term of ending the payments with creditors. In this case the economic court at passing the resolution on approval of the report of the manager about the results of readjustment establishes the term of ending the payments with creditors that cannot exceed 12 months from the date of passing the mentioned resolution.

If the payments with creditors are conducted in the established by the economic court term or before its determination, the procedure on bankruptcy case is terminated after the end of the payments with creditors.

If the payments with creditors are not made in term established by the economic court, the economic court taken decision on opening the liquidation procedure.

Article 138. Payments with the Creditors at the Process of Readjustment

Payments with the creditors are conducted by the manager in accordance with the plan of readjustment.

Payments with the creditors are conducted in order established by the articles 102 and 144-150 of the present Law with the consideration of the peculiarities provided by the present article.

In first turn the debts under the claims of the natural persons, in front of whom the insolvent bears responsibility for causing harm to their lives and health, are paid.

In the second turn the rest debts for paying the dismissal wages and wages to the persons working at the insolvent under the labor contract and the debt for payment of the rewards under the author's contracts.

The information on fulfillment of the commitments of the insolvent and also on paying and satisfaction of the claims of the creditors the manager introduces into the register of the claims of the creditors.

Article 139. Satisfied Claims of the Creditors

For the purposes of the present Law the satisfied claims of the creditors are considered the satisfied claims and also the claims on which the agreement on indemnity or on innovation of the commitment or on determination of the commitment under other grounds established by the legislation if other is not provided by the present Law.

Article 140. Powers of the Bodies of the Management of the Insolvent and the Owner of the Property of the Insolvent-Unitary Enterprise after Ending the Readjustment of the Insolvent

After ending the readjustment of the insolvent the powers of bodies of management of the insolvent and the owner of the property of the insolvent-unitary enterprise are restored and other limitations provided by the present Law are withdrawn, if otherwise is not established by the legislation.

Section VII. Liquidation Procedure

Article 141. General Provisions of Liquidation Procedure

Liquidation procedure is opened after taking the decision on opening the liquidation procedure by the economic court in relation to the insolvent, and also in other cases provided by the present Law.

The decision of the economic court on opening the liquidation procedure is subject to the immediate enforcement.

The term of the liquidation procedure cannot exceed one year. The economic court has the right to prolong the term of liquidation procedure to 6 month, if otherwise is not provided by the present Law.

At the necessity the term of liquidation procedure can be prolonged by the economic court above the terms provided by the part three of the present article. The resolution of the economic court on prolongation of the term of liquidation procedure above the terms provided by part three of the present article can be appealed in order established by the legislative acts.

If the appeal was not submitted in established order, the manager upon the determination of the term established for the appeal of the decision on opening the liquidation procedure notifies the employees of the insolvent about the future dismissal in accordance with the legislation on labor.

Article 142. The Sale of the Property of the Insolvent

After opening the liquidation procedure the manager carries out the sale of the property of the insolvent at the auction, if by the economic court, meeting of the creditors or committee of creditors in accordance with the legislation other order of the sale of the property of the insolvent is not established.

The order and the term of the sale of the property of the insolvent shall be approved by the meeting of creditors or committee of creditors.

The sale of the limited circulation capability property of the insolvent is carried out in order established by part three and four of the article 131 of the present Law.

The manger can act as organizer of the auction or in order established by the legislation under the decision of the economic court, entrust its holding to the specialized organization on the basis of the contract. Specialized organization conducting the auction cannot be interested person in regard to the insolvent, creditor or manager.

The property of the insolvent not sold at the first auction is introduced for the second auction or is realized by the manager in accordance with the legislation without holding the auction on the basis of the contract of sale and purchase.

The sale of the enterprise is carried out in order established by the article 130 of the present Law.

Article 143. The Sale of the Claims of the Insolvent

The manager has the right to introduce for the auction the claims of the insolvent, if the meeting of creditors or committee of creditors have not established other order of their sale (cession) or other is not provided by the legislative acts or is not sequent from the nature of the claims.

The sale (cession) of the claim of the insolvent is carried out at the auction in accordance with the article 132 of the present Law and paragraph 1 of section 30 of the Civil Code of the Republic of Belarus, if otherwise is not provided by the legislative acts or not sequent from the nature of the claims.

Article 144. The Turn of the Satisfaction of Claims of Creditors

Without the turn the judicial costs and costs connected with paying the reward to the manager are covered, the current payments of the insolvent at ht process of competitive procedure for public utilities, exploitation and other services are made, and also the claims of the creditors under the money commitments of the insolvent appeared at the process of competitive procedure are satisfied.

The claims of the creditors are satisfied in the following turns:

in the first turn the claims of the natural persons in front of who the insolvent bears responsibility for causing harm to their lives and health by capitalization of the relevant time payments;

in the second turn the payments for paying the dismissal wage and wages to persons working at the insolvent under the labor contract and paying the rewards under the author's contracts are made;

in the third turn the claims under the obligatory payments are satisfied;

in the fourth turn the claims of the creditors under the commitments secured by the pawing of property of the insolvent are satisfied;

in the fifth turn the payment with other creditors is made.

Article 145. Determination of the Size and the Order of Satisfaction of the Claims of the Creditors of the First Turn

Determination of the size of the claims of the natural person in front of who the insolvent bears the responsibility for causing harm to his life or health is carried out by the capitalization not less than for 15 years of the relevant time payments established on the date of opening by the economic court the liquidation procedure or introduction of the readjustment that are subject for payment to this person till he is 70 years old. If the age of the natural person exceeds 70 years, the term of the capitalization of the relevant time payments is considered to be 15 years.

The payment of the sum of the capitalized time payments, the size of which is determined in accordance with the part one of the present article terminates the relevant commitment of the insolvent.

The right to claim to the insolvent at the sum of the capitalized time payments at presence of the agreement of the natural person is transferred to the Republic of Belarus. In this case the commitment of the insolvent in front of the natural person on paying the time payments is transferred to the Republic of

Belarus and is fulfilled by the Republic of Belarus in accordance with the legislation acts in order established by the Council of Ministers of the Republic of Belarus.

Article 146. Claims to Pay the Dismissal Wages and Wages

At determining the size of the claims of paying the dismissal wages and wages to persons working at the insolvent under the labor contract the non paid debt appeared on the date of opening by the economic court the competitive procedure is taken into consideration.

If the insolvent after opening by the economic court the competitive procedure fulfilled the commitment on paying the dismissal wages and wages to the persons working at the insolvent under the labor contract not at the full amount, the sums not paid before the opening of the liquidation procedure including the sum of the debt of the insolvent in front of the creditors of the second turn are included.

Article 147. Claims under the Obligatory Payments

At determining the size of the claims under the obligatory payments the debt (arrears) formed on the date of opening by the economic court in relation to the insolvent the competitive procedure.

If the insolvent after commencement by the economic court he procedure on bankruptcy case paid the obligatory payments not at a full amount, the sums not paid before the opening the competitive procedure are included in the sum of the debt of the insolvent in front of the creditors of the third turn.

The sums of the fines (fees) and other economic (financial) sanctions are subject to satisfaction in the scope of the claims of the creditors of the fifth turn.

Article 148. The Claims of the Creditors under the Commitments Secured by Pawning

At determining the size of the claims of the creditor under the commitment secured by the pawning of property of the insolvent the debt of the insolvent under the commitment in the part secured by pawning of the property of the insolvent.

The debt of the insolvent under the commitment in part not secured by pawning of the property of the insolvent is considered in the scope of the claims of the creditors of the fifth turn.

The claims of the creditors under the commitment secured by pawning of the property of the insolvent are subject to satisfaction at the expense of the property of the insolvent including that is not an object of pawning.

Article 149. Claims of the Creditors of the Fifth Turn

At determining the size of the claims of the creditors of the fifth turn the claims under the civil legal commitments are considered except for the claims of natural persons on compensating the harm caused to their lives or health, claims of the creditors under the commitments secured by pawning of the property of the insolvent and claims of the founders (participants) of the insolvent-legal person sequent for the membership (participation).

The claims of the creditors of the fifth turn on compensation of damages, collection of the interest, forfeit (fine, fee) and other economic (financial) sanctions, including those to the budget and state non-budget funds are considered separately in the register of the claims of the creditors and are subject to satisfaction after paying the debts and interest due.

Article 150. Payments with the Creditors

The manager does the payments with the creditors in accordance with the register of the claims of creditors.

Determination of the size of the claims of the creditors is conducted in order established by the present Law.

The claim of the creditor of every next turn is satisfied after the full satisfaction of the claims of the creditors of the previous turn.

If there is not enough money assets of the insolvent, these assets are distributed among the creditors of the relevant turn proportionally to the sums of the claims subject to satisfaction, if otherwise is not provided by the present Law.

The claim of the creditors submitted after the determination of the term provided by the present Law for their submission including the claims on paying the obligatory payments, if they have appeared after opening the competitive procedure, are satisfied at the expense of the property of the insolvent left after satisfaction of the claims of the creditors submitted at the established term.

The claims of the creditors of the first and second turn submitted before the end of the payments to all the creditors including after the closure of the register of the claims of the creditors are subject to satisfaction. Before the full satisfaction of the claims mentioned in the present part according to their turn the satisfaction of the claims of the creditors of the relevant and next turns is suspended. In case, if the payments with the creditors accordingly to the turn indicated in the present part or with creditors of the previous turn at insufficiency of the money assets of the insolvent, they are distributed among the creditors of the relevant turn in order established by the part four of the present article.

The claims of the creditors of other turns submitted in the established term by not recognized in accordance with the present Law by the manager or by the meeting of creditors on protection of the

claims, if in relation to them there is a judicial act in legal force of the economic court on their recognition are subject to the satisfaction in order established by part six of the present article.

The claims of the creditors not satisfied because of insufficiency of the property of the insolvent are recognized satisfied. Satisfied are admitted also not recognized claims of the creditors, if the creditor has not turned to the economic court and the claims of the creditors were recognized in accordance with the present Law not valid.

Information on satisfaction of the claims of the creditors the manager introduces to the register of the claims of the creditors.

The creditors whose claims at the process of liquidation procedure were not satisfied at a full amount have the right to claim to the third persons illegally received the property of the insolvent at the size of the part of debt not paid. The mentioned claim can be submitted within 10 years from the day of ending the liquidation procedure in relation to the insolvent.

Article 151. The Report of the Manager at the Process of Liquidation Procedure

The manager every month present to the committee of creditors and in case of its absence—to the meeting of the creditors the report on his activity including the copy of register of the claims of the creditors with the notification of the size of not paid claims and information on property of the insolvent on the date of opening the liquidation procedure and on the date of the relevant accountable period of the liquidation procedure and also under the demand of the meeting of creditors or the committee of creditors—other necessary information.

The manager is obliged under the demand of the economic court to present to the economic court all information connected with the liquidation procedure.

Article 152. The Report of the Manager about the Results of the Liquidation Procedure

After ending the payments with the creditors the manager is obliged to present to the economic court the report about the results of the liquidation procedure.

To the report of the manager about the results of the liquidation procedure the following is enclosed:

documents proving the sale of the property of the insolvent;

register of the claims of the creditors with notification of the size of the claims satisfied;

documents proving the satisfaction of the claims of the creditors;

documents containing the information on the rest of the property of the insolvent after satisfaction of the claims of the creditors and (or) property not sold.

Article 153. The Property Left after the Satisfaction of the Claims of the Creditors and Property of the Insolvent Not Sold

The property of the insolvent left after the full satisfaction of all the claims of the creditors and making all necessary payments are transmitted to the owner of this property, founders (participants) of the insolvent-legal person or the person authorized by the owner of the property, founders (participants) of the insolvent. If the location of the owner of the property, founders (participants) of the insolvent or authorized persons is not known the property left is transferred to the relevant administrative territorial unit of the Republic of Belarus (bodies authorized by it) in order established by the part two and three of the present article.

The manager notifies the authorized bodies of the relevant administrative territorial unit of the Republic of Belarus about the property of the insolvent that was offered for sale but was not sold at the process of liquidation procedure in case of absence of the applications of the owner of the property of the insolvent, founders (participants) of the insolvent-legal person or persons authorized by them about he right on the mentioned property.

The authorized bodies of the relevant administrative territorial unit of the Republic of Belarus not later than one month from the day of reception of the relevant notification take the property mentioned in the part one of the preset article to the account (balance) and bear all the costs on it maintenance.

Article 154. Ending the Liquidation Procedure

After consideration by the economic court the report of the manager about the results of the liquidation procedure and its recognition valid and also at absence of the grounds for recognition of the results of liquidation procedure invalid the economic court passes the resolution on ending the liquidation procedure.

The manager within 10 days from the day of passing by the economic court the resolution on ending the liquidation procedure shall present the mentioned resolution in relevant body that carries out state registration of the legal persons and individual entrepreneurs.

The resolution of the economic court on ending the liquidation procedure is the ground for introducing to the Unified State Register of the legal persons and individual entrepreneurs the note about liquidation of the insolvent.

From the moment of introducing the note on liquidation of the insolvent to the Unified State Register of legal persons and individual entrepreneurs the powers of the manager are stopped, liquidation

procedure is considered to be finished, the insolvent-legal person—liquidated, the insolvent-individual entrepreneur—freed from the debts.

Section VIII. Amicable Settlement

Article 155. General Provisions on Amicable Settlement

The amicable settlement can be concluded from the moment of commencement by the economic court the procedure on the bankruptcy case at any its stage after the satisfaction of the debt under the demand of the creditors of the first and second turn.

The decision on conclusion of the amicable settlement on behalf of the competitive creditors are made by the meeting of creditors held in accordance to the section III of the present Law.

Decision of the meeting of creditors on making the amicable settlement is taken in accordance with the part two and three of the article 55 of the present Law and is considered taken at the condition if all creditors under the commitments secured by pawning of the property of the insolvent voted for it.

Decision on making the amicable settlement from the side of the insolvent is taken by the insolvent-individual entrepreneur, the head of the insolvent or the manager (temporal manager).

The participation in the amicable settlement of the third persons taking the rights and duties provided by the amicable settlement is allowed.

The amicable settlement is subject to approval by the economic court. In case of its approval the economic court passes the resolution on determination of the procedure on bankruptcy case, where the approval of amicable settlement is indicated.

The amicable settlement enters into force from the day of its approval by the economic court and is obligatory for the insolvent, competitive creditors and third persons participating in the amicable settlement. At that the economic court terminates in accordance with the article 47 of the present Law the procedure on bankruptcy case.

The unilateral refusal to enforce the amicable settlement that entered in force is not allowed.

Article 156. Form and Content of the Amicable Settlement

Amicable settlement is concluded in the written form.

Amicable settlement can be concluded on the conditions:

postponement and (or) installments of fulfillment of insolvent's commitments;

cession of claim of the insolvent;

fulfillments of the commitment of the insolvent by the third persons;

assignment of the debt;

change in accordance with part four of the present article the claims of the creditors to stock;

satisfaction of the claims of the creditors by other means not contradicting to the legislation.

The amicable settlement shall contain information on sizes, order and terms of fulfillment of the commitments of the insolvent and (or) on determination of the commitments of the insolvent by indemnity, innovation of the commitment, remitting the debt or other means provided by the civil legislation.

The amicable settlement can contain:

commitments of the auctioneers of the insolvent-open joint stock company to transfer in established by the legislation order the stock of this company belonging to them to the competitive creditors as satisfaction of the claims of the competitive creditors to the mentioned insolvent;

commitment of the insolvent to create on the basis of the property of the insolvent the open joint stock company and transfer its stock to the competitive creditors as satisfaction of the claims of the competitive creditors to the mentioned insolvent.

Conditions of the amicable settlement for the competitive creditors not taking part in the voting on the question on making the amicable settlement or voting against its making cannot be worse than those for the competitive creditors of the same turn voting for it.

On behalf of the insolvent the amicable settlement is signed by the insolvent-individual entrepreneur, the head of the insolvent or the manager (temporal manager). On behalf of the creditors the amicable settlement is signed by the person authorized by the meeting of creditors.

If in the amicable settlement the third persons participate, the amicable settlement from their side is signed by them or by their representatives.

Article 157. Approval of the Amicable Settlement by the Economic Court

The manager within 5 days from the day of taking the decision on making the amicable settlement shall submit to the economic court the application on approval of the amicable settlement.

To the application on approval of the amicable settlement the following is enclosed:

text of the amicable settlement;

protocol of the meeting of the creditors that has taken the decision on making the amicable settlement;

the list of all the competitive creditors containing the name of every creditor, its mailing address and bank requisites and also the sum of the debt;

the written objections of the competitive creditors not taking part in the voting on the question on making the amicable settlement or voting against it.

The economic court notifies the interested parties on the date of the consideration of the application on approval of the amicable settlement. Not appearance of the persons notified does not obstruct the consideration of the bankruptcy case.

Article 158. Consequences of the Approval of the Amicable Settlement

The approval by the economic court the amicable settlement at the process of the protection period or competitive procedure is the ground for determination of the procedure on bankruptcy case.

The approval by the economic court the amicable settlement at the process of the competitive procedure is also the ground for determination of the consequences of suspension of satisfaction of the claims of the creditors provided by the article 91 of the present Law.

In case, when the economic court at the process of the liquidation procedure approved the amicable settlement, the decision of the economic court on opening the liquidation procedure is not subject to the fulfillment.

The powers of the manager (temporal manager) are terminated from the day of approval by the economic court the amicable settlement except for the cases of dismissal the head of the insolvent from the office provided by the present Law, when the manager of the insolvent-legal person continues the fulfillment of the commitments of the head of the insolvent before the appointing (election) of the new head of the insolvent in order established by the article 80 of the present Law.

From the moment of approval by the economic court the amicable settlement the insolvent-individual entrepreneur, the head of the insolvent or the manager (temporal manager) starts to pay the debts to the creditors in accordance with the conditions of the amicable settlement.

Article 159. Refusal to Approve the Amicable Settlement

In cases of non-payment of the debts under the claims of creditors of first and second turn the economic court refuses to approve the amicable settlement.

The economic court also has the right to refuse to approve the amicable settlement in cases:

of infringement of the order of concluding the amicable settlement established by the present Law;
of non-observance of the form of the amicable settlement;
of violation of rights and legal interests of other persons;
of contradictions of the conditions of the amicable settlement to the legislation.

The economic court passes the resolution on refusal in approving the amicable settlement.

The resolution of the economic court on refusal in approving the amicable settlement can be appealed in order established by the legislative acts.

Article 160. Consequences of the Refusal to Approve the Amicable Settlement

In case of passing by economic court the resolution on refusal in approving the amicable settlement the amicable settlement is considered not concluded.

Passing by the economic court the resolution on refusal in approving the amicable settlement does not obstruct the conclusion of the new amicable settlement.

Article 161. Invalidity of the Amicable Settlement

The amicable settlement can be recognized by the economic court on the ground of the application of the insolvent, creditor, authorized body and (or) protest of the prosecutor invalid, if:

the amicable settlement contains the conditions providing the privileges for certain creditors or impairing the rights and legal interest of other creditors;

implication of the amicable settlement can again lead to the bankruptcy of the insolvent;

the amicable settlement contains the grounds provided by the legislation for invalidity of the deals including if the amicable settlement is void as contradicting to the interests of state.

Invalidity of the amicable settlement is the ground for renewal of the procedure on bankruptcy case.^a At that the economic court passes the resolution on renewal of the procedure on bankruptcy case.

The resolution of the economic court on renewal of the procedure on bankruptcy case can be appealed in order established by the legislative acts.

In case of invalidity of the amicable settlement the claims of the creditors, on which the postponement and (or) installment of the payments due to them or the reduction of the sum of the debts were provided, are renewed in the non-satisfied part.

Invalidity of the amicable settlement does not entails the commitment of the creditor of the first and second turn to return to the insolvent all that was received as the satisfaction of the debt under their claims.

To the consequences of the invalidity of the amicable settlement not regulated by the present article the provisions on consequences on invalidity of the deals provided by the civil legislation are applied.

The claims of the creditors, with who the payments are made in accordance with the conditions of the amicable settlement not contradicting the present Law are recognized satisfied.

The creditors, whose claims were satisfied in accordance with the conditions of the amicable settlement providing their privileges or impair of the right and legal interests of other creditors are obliged to return to the insolvent all that was received in order of fulfillment of the amicable settlement.

The information on renewal of the procedure on bankruptcy case of the insolvent in case of invalidity of the amicable settlement is transferred by the economic court for publication in mass media in accordance with the present Law.

Article 162. Denunciation of the Amicable Settlement

Denunciation of the amicable settlement approved by the economic court under the agreement among the certain creditors and the insolvent is not allowed.

Denunciation of the amicable settlement under the decision of the economic court in relation to the certain creditor does not entail the denunciation of the amicable settlement in relation to the rest of the creditors.

The amicable settlement can be denounced under the decision of the economic court in case of non fulfillment the conditions of the amicable settlement by the insolvent in relation to not less than one third of the claims of the creditors. In this case the provisions of the article 161 of the present Law are applied.

Article 163. Consequences of the Non-Fulfillment of the Amicable Settlement

The creditors in relation to who the amicable settlement is made in case of non-fulfillment by the insolvent the conditions of the amicable settlement have the right to submit their claims at the amount provided by the amicable settlement.

In case of the secondary commencement of the procedure on bankruptcy case the amount of the claims of the creditors, in relation to who the amicable settlement was made, is determined with the consideration of the conditions provided by the amicable settlement.

Section IX. Peculiarities of the Bankruptcy of the Certain Categories of the Insolvents-Legal Persons

Chapter 1. General Provisions

Article 164. Public Relations Connected with Bankruptcy That are Regulated in the Special Order

To the regulated in special order public relations connected to the bankruptcy of the town-forming and agricultural organizations, banks and non-bank credit financial organizations, insurance organizations, and also other entities of the civil law the special state of which is contained in the present section the rules of the present Law regulating the bankruptcy of the insolvents-legal persons are applied if otherwise is not provided by the present section.

Chapter 2. Special Measures Taken at Carrying Out the Bankruptcy Procedures

Article 165. Special Order of Application of the Provisions of the Present Law to the Certain Legal Person Having Significant and Special Significant State Importance

At presence of the conditions allowing to start the procedure on bankruptcy provide by the present Law, if otherwise is not established by the President of the Republic of Belarus, to the legal person referred in order established by the President of the Republic of Belarus to the important and specially important state objects and to the legal person carrying out the fulfillment of the important state and (or) international orders providing the support of the necessary level of defense, functioning the strategic important branches of economy or important and specially important state objects at carrying out the procedures of bankruptcy the special measures determined by the President of the Republic of Belarus are applied or in order, established by him.

Article 166. Securing the Defense Capability of the State at Presence of the Grounds for Carrying Out the Bankruptcy Procedures

In case of the bankruptcy of the legal persons having the mobilization tasks (orders), persons responsible for fulfillment of the procedures of bankruptcy provided by the present Law or procedures connected to it are obliged in established order to inform the relevant state bodies responsible for securing the defense capability of the state about the preparation and start of fulfillment of the mentioned procedures. The state bodies responsible for securing the defense capability of the state shall take measures

on transference of the mobilization tasks (orders) to the other legal person, the activity of which is connected with the sphere of the activity of the mentioned bodies or which are in the sphere of their authority.

At the presence of the signs of bankruptcy of the insolvent allowing to apply the provision of the present Law for the purposes of securing the defense interests of the state the special measure determined by the President of the Republic of Belarus are taken or in order established by him different from the measures provided by the present Law.

Chapter 3. Bankruptcy of the Town-Forming Organizations and Organizations Equated to Them

Article 167. Peculiarities of the Application of the Present Chapter

The provisions of the present chapter are applied to the town-forming organizations, and also other organization the number of employees of which is 1000 persons or more.

Article 168. Considering of the Bankruptcy Case of the Town-Forming Organization

At consideration of the bankruptcy case of the town-forming organization the persons participating in the bankruptcy case are considered to be the persons mentioned in the article 20 of the present Law and also the body of the state management on the bankruptcy case.

By the economic court also other republican bodies of state management can be engaged as the persons participating in the bankruptcy case of the town-forming organization.

The insolvent shall present to the economic court the evidences proving that the legal person is the town-forming organization or proving the presence of the relevant number of employees at the organization.

Article 169. Introduction of the Readjustment on the Condition of the Guarantee

If by the meeting of creditors the decision on readjustment of the town-forming organization has not been taken, the economic court has the right to introduce the readjustment on the grounds provided by the present Law and also under the petition of the local executive and administrative body or republican body of state management engaged to the participation in the bankruptcy case of the town-forming organization at the condition of giving the guarantee under the commitments of the insolvent.

The guarantee under the commitments of the insolvent can be given by the Republic of Belarus or administrative territorial unit of the Republic of Belarus represented by the authorized bodies.

In case, when the readjustment is introduced in order established by the present article, the guarantee bears the subsidiary responsibility under the commitments of the insolvent in front of his creditors.

Article 170. Prolongation of the Readjustment under the Petition of the Republican Body of State Management or Local Executive and Administrative Body

The readjustment of the town-forming organization at the presence of the petition of the republican body of the state management or the local executive and administrative body can be prolonged by the economic court at the term not more than 1 year.

The plan of improvement of the financial state of the town-forming organization can be the ground for prolongation of readjustment of the town-forming organization at the term provided by part one of the present article. In the plan of improvement of the financial state of the town-forming organization the investments into its activity, employments of its workers, creation of new working places and other means of restoration of the solvency of the insolvent-town-forming organization can be provided.

At the condition of securing the commitments of the insolvent by the guarantee the economic court under the petition of the republican body of the state management engaged to the participation in bankruptcy case of the town-forming organization or the local executive and administrative body can prolong the term of readjustment of the town-forming organization to 10 years. In this case the insolvent and its guarantee are obliged to start payments with the creditors not later than the day of ending the term provided by part one of the present article.

Non-observance of the requirements provided by the part three of the present article is the ground for opening the liquidation procedure.

In case of prolongation of the term of readjustment in accordance with part three of the present article the guarantee bears subsidiary responsibility under the commitments of the insolvent in front of the creditors.

Article 171. Satisfaction of the Claims of the Creditors at the Process of Readjustment of the Town-Forming Organization

The Republic of Belarus or the administrative territorial unit of the Republic of Belarus represented by the authorized bodies has the right at any time before ending the readjustment of the town-forming organization to settle accounts with all its creditors or to satisfy the claims of these creditors under the payment commitments by other means provided by the present Law.

The satisfaction of the claims of creditors is carried out in the turn order established by the article 138 of the present Law.

In case of satisfaction of the claims of the creditors under the payment commitments and also commitments sequent from the labor and connected to it relations in accordance with the part one and two of the present article the procedure not bankruptcy case is subject to determination.

Article 172. Sale of the Enterprise at the Process of Readjustment of the Town-Forming Organization

The plan of readjustment of the town-forming organization can provide the sale of the enterprise that is conducted in accordance with the particle 130 of the present Law with the consideration of the peculiarities established by the present article.

At the presence of the petition of the republican body of state management engaged to the participation in the bankruptcy case of the town-forming organization or the local executive and administrative body the sale of the enterprise is conducted by holding the competition.

The compulsory conditions of the competition are the following:

preservation of the working places for not less than 70 percent of the workers employed at the enterprise on the date of its sale;

retraining at the expense of the purchaser or employment not less than 70 percent of the workers employed at the enterprise on the date of its sale in case of change of the main kind of activity of the enterprise.

Other conditions of the competition can be established only under the decision of the meeting of creditors taken in order established by parts two and three of the article 55 of the present Law.

The sale of the enterprise can be carried out only after all other possibilities of satisfaction of the claims of creditors are exhausted, if otherwise is not established by the legislative acts

Article 173. The Sale of the Property of the Insolvent-Town-Forming Organization at the Process of Liquidation Procedure

At sale of the property of the insolvent-town-forming organization at process of liquidation procedure the manager shall in order established by the legislation under the decision of the economic court introduce the enterprise as a whole property complex for the sale at the first auction.

If the property of the town-forming organization was not sold in accordance with part one of the present article, the sale of the property of the town-forming organization is carried out according to the provisions of the article 131 of the present Law.

Chapter 4. The Bankruptcy of the Agricultural Organizations

Article 174. The Peculiarities of the Bankruptcy of the Agricultural Organizations

In the present Law under the agricultural organizations the legal persons the main kind of activity of which is growing (production or manufacture and processing) of the agricultural production, the earnings from the realization of which is not less than 50 percent of the total sum of earnings.

At consideration of the bankruptcy case of the agricultural organization by the economic court the body of state management on agriculture and food supply is engaged as a person participating in the bankruptcy case of the agricultural organization.

At the sale of the objects of immovable property used for the purposes of the agricultural manufacture and belonging to the agricultural organization in relation to which the competitive procedure is opened at other equal conditions the preference right to acquire the mentioned objects belongs to the agricultural organizations and farms located in that area.

In case of liquidation of the agricultural organization as the result of its bankruptcy its lands can be alienated or transferred to the Republic of Belarus or to other person in accordance with the land legislation.

Article 175. The Analysis of the Financial State of the Agricultural Organization. The Readjustment of the Agricultural Organization

At the analysis of the financial state of the agricultural organization the seasonality of the agricultural production and its dependency on natural climate and other conditions of conduction the agricultural activity and also the possibility of satisfaction of the claims of creditors at the expense of the income that can be received by the agricultural organization after ending the relevant period of the agricultural works shall be considered.

The readjustment of the agricultural organization is introduced at the term including the full circle of the production of the agricultural products with the consideration of time necessary for realization of this products. The term of the readjustment of the agricultural organizations cannot exceed more than to one year the terms established by the parts three and four of the article 128 of the present Law.

In case, if within the term of readjustment in the agricultural organization there was the decline and worsening of its financial state in connection with the natural disasters, epizootics and other unfavorable conditions the term of the readjustment can be prolonged in total to two years.

Chapter 5. Bankruptcy of Farms**Article 176.** Peculiarities of the Bankruptcy of the Farms

Besides the documents provided by the article 24 of the present Law to the application of the farm about its bankruptcy the documents containing the following information shall be enclosed:

about the composition and the cost of the property of the farm;

about the composition and the cost of the property belonging to the members of the farm on the right of ownership and also about the sources at the expense of which the mentioned property is acquired;

the amount of the incomes that can be received by the farm at the end of the relevant period of the agricultural works.

The documents mentioned in the part one of the present article are also enclosed to the response of the insolvent-farm on the application of the creditors, application of the taxation or other authorized body or application of the prosecutor.

Article 177. Peculiarities of the Readjustment of the Farm

By the farm the plan of restoration of the solvency of this farm can be presented to the economic court within 2 months from the day of accepting the application on bankruptcy of the farm by the economic court.

In case, if the carrying out of the measures provided by the plan of restoration of the solvency of the farm allows this farm to satisfy the claims under the payment commitments and also commitments sequent from the labor and connected to them relations including at the expense of incomes that can be received by the farm after the end of the relevant period of the agricultural works the economic court can introduce readjustment of the farm independently from the decision of the meeting of creditors on opening the liquidation procedure.

The readjustment of the farm under the application of the manager or any of the creditors can be determined pre-term by the economic court at the impossibility to continue the activity of the farm or absence of the grounds to continue it.

Pre-term determination of the readjustment of the farm causes the opening of the liquidation procedure.

Article 178. The Manager of the Farm

The manager of the farm can be a person not having a license of the manager including the member of the farm. In that case the manager of the farm does not go through the state registration as an individual entrepreneur.

Article 179. Property of the Farm

In case of opening in relation to the farm the competitive procedure immovable property being in general common property of the members of the farm including plantations, economic and other buildings, melioration and other constructions, productive and working cattle, birds, agricultural and other machines and equipments, vehicles, inventory, unitary enterprises created by the farm and other property acquired for the farm on the assets of the farm and (or) common assets of its members and also property rights belonging to the farm and having the money estimation except for the property, on which according to the legislation the collection cannot be imposed, are included to the property of the insolvent.

In case of opening in relation to the farm the competitive procedure the land allocated for conducting farming, can be alienated or transferred to the republic of Belarus or other person in accordance with the land legislation.

Article 180. The Sale of the Property of the Insolvent-Farm

Immovable property and also property right in relation to the immovable property being the property of the insolvent-farm can be sold only at competition.

A compulsory condition of the competition is the preservation of the special agricultural purpose of the objects sold.

Chapter 6. Bankruptcy of the Banks and Non-bank Credit Financial Organizations

Article 181. Measures on Prevention of the Bankruptcy of the Bank

The grounds for taking measures on prevention of the bankruptcy of bank are the circumstances at which the bank:

repeatedly within the last 6 months in connection with the absence or insufficiency of the money assets at the correspondent accounts of the bank has not satisfied the claims of some creditors under the money commitments and (or) has not fulfilled the commitments to pay the obligatory payments within three days and more from the day of the date of their fulfillment;

in connection with absence or insufficiency of the money assets at the correspondent accounts of the bank does not satisfy the claims of some creditors under the money commitments and (or) does not fulfill the commitment to pay the obligatory payments within 3 days and more from the day of their fulfillment;

allows the absolute decrease of the internal money assets (capital) more than to 20 percent in comparison to the maximal amount achieved for the last 12 months violating at that one of the compulsory norms established by the National Bank of the Republic of Belarus;

violates the norm of the sufficiency of the capital established by the National Bank of the Republic of Belarus;

violates within the last month more than to 10 percent the norm of current liquidity established by the National Bank of the Republic of Belarus.

In case of appearance of the grounds provided by the part one of the present article the following measures on prevention of the bankruptcy of the bank are taken:

improving the financial state of the bank;

appointing the temporal administration on managing the bank (hereinafter-temporal administration);

reorganization of bank.

In case of appearance of the grounds provided by part one of the present article the bank, its founders (participants) are obliged to take necessary measure on improvement of the financial state of the bank or reorganization of bank.

The National Bank of the Republic of Belarus in case of appearance of the grounds provided by the part one of the present article has the right to demand the bank to carry out the measures on improving the financial state of the bank or reorganization of bank and also to appoint the temporal administration.

Article 182. Procedure Applied at Considering the Bankruptcy Case of the Bank

At consideration of bankruptcy case of the bank the competitive procedure or liquidation procedure is applied.

The amicable settlement, protection period and readjustment provided by the present Law in relation to the banks are not applied.

Article 183. Manager at the Bankruptcy of the Bank

The manager at the bankruptcy of the bank shall have a license of the body of state management of bankruptcy affairs, shall meet the qualification requirements established by the National Bank of the Republic of Belarus, and also have the additional special certificate of the manager.

The normative legal acts of the National Bank of the Republic of Belarus the amount of the qualification requirements to the manager at the bankruptcy of the bank, the order and other conditions of his special attestation including the grounds and order of issue and annulment of the special certificate of the manager are established.

The National Bank of the Republic of Belarus has the right in cases of non-fulfillment or improper fulfillment of the duties by the manager at the bankruptcy of the bank to annul the special certificate of the manager issued to him.

The decision of the National Bank of the Republic of Belarus in cases of non-fulfillment or improper fulfillment by the manager at the bankruptcy of the bank of his duties has the right to petition to the body of state manager on bankruptcy affairs on recall of the license form him.

Article 184. Improvement of the Financial State of the Bank

For the purposes of improvement of the financial state of the bank the following measures can be applied:

granting financial aid to the bank by its founders (participants) and (or) by other persons;

change of the structure of the actives and passives of the bank;

change of the organizational structure of the bank;

other measures applied in accordance with the legislation.

Article 185. Granting the Financial Aid to the Bank

The financial aid to the bank can be granted in the following forms:

allocation of the money assets on the deposit at that bank with the term of return not less than 6 months and extra interests under the rate not higher than the rate of re-financing of the National Bank of the Republic of Belarus;

giving the guarantee, bank guarantees under the bank credits;

assignment of the debt with the agreement of the creditors of the bank;

refusal to distribute the profit of the bank as the dividends with the purpose to direct it on taking measures for improvement of the financial state of the bank;

additional fee to the statutory fund of the bank;

refuse from the claims of the bank;

other forms promoting the elimination of the reasons causing the necessity to take measures on improving the financial state of the bank.

The money assets on the bank accounts and deposits in the bank can be used by its creditors for increase of the statutory fund of the bank in order established by the National Bank of the Republic of Belarus.

The decision on forms and conditions of granting the financial aid is taken by the bank and the person granting the financial aid to the bank.

Article 186. Change of the Structure of the Actives and Passives of the Bank

The change of the structure of the actives of the bank can provide:

improvement of the quality of the crediting including replacing the non-liquid actives to liquid ones;

bringing the structure of the actives under the urgency in accordance to the terms of the commitments providing their fulfillment;

reduce of the expenses including those of servicing the debt and maintenance of the bank;

sale of the actives not bringing profit and also actives the sale of which will not obstruct the fulfillment of the bank operation by the bank;

other measures on re-structuring the actives.

The change of the structure of the passives of the bank can provide:

increase of the internal assets (capital);

reduce of the amount and (or) ratio of the current and short-term commitment in the general structure of the passives;

increase of the ration of the medium-term and long-term commitments in the general structure of the passives;

other measure on re-structuring the passives.

The bank is obliged in accordance to the civil legislation to reduce its statutory fund to the size of the pure actives, if the pure actives are less than the statutory fund of the bank.

Article 187. Change of the Organizational Structure of the Bank

The change of the organizational structure of the bank can be carried out in the following forms:

change of the composition and number of the employees of the bank;

change of the structure of the bank including the reduce and liquidation of the independent and other structural sub-division of the bank;

other forms promoting the elimination of the reasons causing the necessity to take measure on improving the financial state of the bank.

At carrying out the procedure of closure of the branch offices (divisions) of the bank the rules of the sale of the enterprise provided by the present Law can be applied.

Article 188. Petition of the Head of the Bank on Taking Measures on Prevention of the Bankruptcy of the Bank

Individual executive body of the bank (hereinafter-the head of the bank) in case of appearance of the grounds provided by the part one of the article 181 of the present Law within 10 days form the day of their appearance is obliged to petition to the higher body of the management of the bank on taking measures on improving the financial state of the bank or reorganization of the bank at condition that the reasons of appearance of the mentioned grounds cannot be eliminated by the executive body of the bank.

The petition of the head of the bank on taking measures on improving the financial state of the bank or reorganization of the bank shall contain the recommendation on form, character and terms of taking such measures.

The highest body of bank management, to which in accordance with the part one of the present article the petition on taking measures on improving the financial state of the bank or reorganization of the bank is made, shall take the decision on mentioned petition within 10 days from the day of its submission.

The head of the bank is obliged to petition to the National Bank of the Republic of Belarus on taking measures on prevention of the bankruptcy of the bank, if the founders (participants) of this bank have refused to take measures on improving the financial state of the bank or reorganization of the bank or has not taken the relevant decision at the term provided by the part three of the present article.

Article 189. Taking Measures on Improving the Financial State of the Bank under the Demand of the National Bank of the Republic of Belarus

The National Bank of the Republic of Belarus has the right to submit the claim on taking measures on improving the financial state of the bank to the bank at the presence of the grounds provided by part one of the article 181 of the present Law. In the demand of the National Bank of the Republic of Belarus on taking measures on improvement of the financial state of the bank the grounds for its submission and also recommendations on the character and terms of taking such measures shall be indicated.

At reception of the claim of the National Bank of the Republic of Belarus on taking measures on improving the financial state of the bank the head of the bank is obliged within 5 days from the day of reception of the demand to petition to the body of the management of the bank mentioned in part one article 188 of the present Law on taking measures on improving the financial state of the bank or reorganization of the bank.

The bank, its founder (participants) have no right from the moment of reception of the demand of the National Bank of the Republic of Belarus on taking measures on improvement of the financial state of the bank till the moment of reception of the relevant permission of the National Bank of the Republic of Belarus to take decision on distribution of the profit among the founders (participants) of the bank and payment (announcement) the dividends and also to distribute the profit among the founders (participants) of the bank and pay the dividends to them.

If the grounds for presenting the demand on taking measures on improvement of the financial state of the bank by the National Bank of the Republic of Belarus are eliminated, the National Bank of the Republic of Belarus directs to the bank the permission on distribution of the profit among of the founders (participants) of the bank and payment (announcement) the dividends to them.

Article 190. The Plan of Improvement of the Financial State of the Bank

The National Bank of the Republic of Belarus has the right to demand the elaboration of the plan of improvement of the financial state of the bank and fulfillment of the measures provided by this plan from the bank.

In the plan of improvement of the financial state of the bank the following shall be:

estimation of the financial state of the bank;

forms and sizes of participating of the founders (participants) of the bank and (or) other person granting the aid in improving the financial state of the bank;

measure on reception of the additional incomes;

measures on reducing the expenses on bank maintenance;

measures on returning the late accounts receivable;

measures on change of the organizational structure of the bank;

term of restoration the level of the sufficiency of the internal assets (capital) and current liquidity of the bank.

The form of the plan on improvement of the financial state of the bank is established by the normative legal acts of the National Bank of the Republic of Belarus.

The plan of improving the financial state of the bank is presented to the National bank of the Republic of Belarus in term established by it. The National Bank of the Republic of Belarus controls the fulfillment of the plan on improvement of the financial state of the bank.

Article 191. Consequences of Mon-Fulfillment of the Commitments of the Bank on Taking Measures on Prevention of the Bankruptcy of the Bank

In cases of non-fulfillment and (or) improper fulfillment by the head of the bank the duties provided by part one, two and four of the article 188 and part two of the article 189 of the present Law and also not taking measures on improvement of the financial state of the bank the head of the bank bears the responsibility in accordance with the legislation.

For non-fulfillment of the requirements of the articles 188-190 of the present Law the National Bank of the Republic of Belarus has the right in accordance with the legislation to apply other measures of influence to the bank.

Article 192. Temporal Administration

The temporal administration is a special body of management of the bank appointed by the National Bank of the Republic of Belarus in order established by the present law and normative legal acts of the National Bank of the Republic of Belarus.

The temporal administration acts in accordance with the present Law and other acts of legislation.

The powers of the executive bodies of the bank in the period of activity of the temporal administration can be either limiter or suspended by the act of the National Bank of the Republic of Belarus on appointing the temporal administration in order and on conditions established by the present chapter.

Article 193. The Grounds for Appointing the Temporal Administration

The National Bank of the Republic of Belarus has the right to appoint the temporal administration, if:

the bank in connection of absence or insufficiency of the assets at the correspondent accounts of the bank does not satisfy the claims of some creditors under the money commitments and (or) does not fulfill the commitments for paying the obligatory payments within 7 days and more from the day of coming the date of their fulfillment;

the bank allows the absolute increase of the internal money assets (capital) more than on 30 percent in comparison to the maximal amount achieved for the last 12 months violating at that one of the compulsory norms established by the National Bank of the Republic of Belarus;

the bank within the last month more than to 20 percent violates the norm of current liquidity established by the National Bank of the Republic of Belarus;

the bank in established term does not fulfill the requirements of the National Bank of the Republic of Belarus on change of the head of the bank or taking measures on improvement of the financial state of the bank or reorganization of the bank;

in accordance with the legislative acts there are grounds for recall of the license of the bank on carrying out the bank operations.

The act of the National Bank of the Republic of Belarus on appointing the temporal administration is published by the National Bank of the Republic of Belarus in its printing body within 15 days form the day of its adoption.

Article 194. The Term of the Activity of the Temporal Administration

The temporal administration is appointed by the National Bank of the Republic of Belarus on the term up to 18 months.

The National Bank of the Republic of Belarus has the right after the recall of the license on carrying out the bank operation to prolong the term of activity of the temporal administration not more than to 6 months or till the moment of forming the bodies that carry out the reorganization or liquidation of bank or till the moment of appointing the manager.

The general term of activity of the temporal administration cannot exceed 30 months.

Article 195. The Head of the Temporal Administration

The temporal administration is led by the head having the special certificate of the manager that is issued by the National Bank of the Republic of Belarus to the person having a license of the manager in accordance to the article 183 of the present Law.

The head of the temporal administration:

forms its composition and bears responsibility for its activity;

conducts the activity on behalf of the bank in case of suspension of the powers of its executive bodies.

Article 196. Consequences of Non-Fulfillment or Improper Fulfillment of the Duties by the Head of the Temporal Administration

In cases of non-fulfillment or improper fulfillment by the head of the temporal administration of his duties he bears responsibility in accordance with legislation.

In cases of non-fulfillment or non-fulfillment by the head of the temporal administration of his duties the National Bank of the Republic of Belarus has the right:

dismiss him from the fulfillment of the duties of the head of the temporal administration;

prohibit him the fulfillment of the duties of the head of the temporal administration on the term up to 1 year;

annul the special certificate of the head of the temporal administration issued to him.

The decision of the National Bank of the Republic of Belarus provided by part two of the present article can be appealed by the person being the head of the temporal administration to the economic court.

Non-fulfillment or improper fulfillment by the head of the temporal administration of his duties causing damages for the bank can be the ground for recall of his license.

The National Bank of the Republic of Belarus at non-fulfillment or improper fulfillment by the head of the temporal administration of his duties has the right to petition on recalling the license from him to the body of the state management on bankruptcy cases.

Article 197. The Functions of the Temporal Administration at Limitation of the Powers of the Executive Bodies of the Bank

At limitation of the powers of the executive bodies of the bank the temporal administration:

participates in elaboration of the measures on improving the financial state of the bank and carries out the control over their conduction;

exercises control over disposal of the property of the bank within the limits established by the present article;

carries out other functions in accordance to the legislation.

At carrying out the functions provided by part one of the preset article the temporal administration:

receives the necessary information and documents connecting the activity of the bank from the bodies of management of the bank;

coordinates the deals of the bank connected with disposal of its property and mentioned in the part three of the present article;

petitions to the National Bank of the Republic of Belarus on suspension of the powers of the bodies of management of the bank, if they counteract the fulfillment of the functions of the temporal administration or it is necessary for application of measures on prevention of the bankruptcy of the bank.

The bodies of management of the bank only with the agreement of the temporal administration have the right to conduct the following deals:

connected with transfer of the immovable property to the lease, pawning, its introduction as a contribution to the statutory funds of the third persons and also disposal of this property by other means;

connected with disposal of other property, the balance cost of which is more than one percent of the balance cost of the bank's actives including those connected with reception or issuing the credits and loans, issuing the guarantees, cession of the rights to claim, presenting indemnity, innovation of the commitments, assignment and forgiving the debt, and also establishing the asset management;

with the persons interested in regard to the bank.

Article 198. Functions of the Temporal Administration at Suspension of the Powers of Executive Bodies of the Bank

At suspension of the powers of the executive bodies of the bank the temporal administration:

carries out the powers of the executive bodies of the bank;

elaborates the measures on improvement of financial state of the bank, organizes them and exercises control for their conduction;

takes measures on securing the safety of the property and documentation of the bank;

reveals the creditors of the bank and sizes of their claims;

takes measure on collecting the debts in front of the bank;

petitions to the National Bank of the Republic of Belarus on suspension of satisfaction of claims of the creditors of the bank;

fulfills other functions in accordance with legislation.

At execution of the functions provided by part one of the present article the temporal administration:

receives from the bodies of management of the bank necessary information and documents connected to the activity of the bank;

submits on behalf of the bank the writs to the general, economic and (or) arbitration court;

appoint representatives of temporal administration to the branch offices of the bank and also to the bodies of management of the affiliated organizations;

coordinates the decisions of the board of directors (observation council) of the bank or general meeting of the founder (participants) of the bank except for the decision provided by part three of the present article;

has the right to dismiss the members of the executive bodies (member of the executive body) of the bank from his work and suspend paying the wage to them (him).

The temporal administration only with the agreement of the board of directors (observation council) of the bank or general meeting of founders (participants) within their competence established by legislation and statutory documents of the bank has the right to make deals connected with:

transfer of the immovable property to the lease, pawn, introduction of it as a contribution to the statutory fund of the third person and also with the disposal of this property by other means;

disposal of other property, the balance cost of which is not more than 5 percent of the balance cost of the bank's actives including those with reception and issuing the credits and loans, issuing the guarantees, cession of the rights to claim, presenting the indemnity, innovation of the commitments, assignment and forgiving the debt, and also establishing the assets management.

The board of directors (observation council) of the bank or general meeting of founders (participants) of the bank within the limits of their competence established by the legislative acts and statutory documents of the bank has the right to broaden the powers of the temporal administration on disposal the property of the bank.

Article 199. The Functions of the Executive Bodies of the Bank at Suspension of Their Powers in the Period of Activity of the Temporal Administration

At suspension of powers of the executive bodies of the bank in the period of activity of temporal administration:

the executive bodies have no right to take decision on questions being in the competence under the legislative acts and statutory documents;

decisions of other bodies of the bank enter into force after their agreement with the temporal administration.

The executive bodies of the bank in case of suspension of their powers in the period of activity of the temporal administration not later than the day following the day of appointing the temporal administration are obliged to pass the seals and stamps of the bank to it and in terms agreed with the temporal administration—accounting and other documentation of the bank, material and other valuable.

The counteraction from the side of the members of the bodies of management of the bank or other employees of the bank to the fulfillment of function of the temporal administration entails the responsibility established by the legislative acts.

Article 200. Petition of the Head of the Temporal Administration on Recall of the License to Carry out Bank Operations

At establishing the grounds for recall from the bank the license on carrying out the bank operations the head of the temporal administration is obliged to petition to the National Bank of the Republic of Belarus on recall of the license to carry out the bank operations.

Article 201. Accounts of the Bank in the Period of Activity of the Temporal Administration

The temporal administration has the right to limit the number of correspondent accounts of the bank opened at other banks. At limitation of the number of the correspondent accounts of bank the temporal administration determines the accounts subject to closure. The rests of the money assets form this accounts are transferred to correspondent account of the bank (main account of the bank) opened in the establishment of the National Bank of the Republic of Belarus in established order.

Article 202. Disputes Connected with the Activity of the Temporal Administration

The bank in order established by the legislative acts has the right to appeal the decision of the National Bank of the Republic of Belarus on appointing the temporal administration to the economic court.

The appeal of the decision of the National Bank of the Republic of Belarus on appointing the temporal administration does not suspend its activity.

If the guilty actions of the temporal administration the harm to the bank has been caused, the auctioneers of the bank owning in total not less than 1 percent of the stock (owners of the property of the bank-unitary enterprise) have the right to submit to the economic court he writ to the head of the temporal administration on compensation of the real harm to the bank or the writ to the National Bank of the Republic of Belarus on compensation of the National Bank of the Republic of Belarus the real harm, if its has been caused as the result of invalid appointment of the temporal administration.

Article 203. The Suspension of the Satisfaction of the Claims of the Creditors of the Bank

In case of suspension of the powers of the executive bodies of the bank and at presence of the grounds provided by paragraph two part one of the particle 193 of the present Law the National Bank of the

Republic of Belarus has the right to suspend the satisfaction of the claims of the creditors on the term not more than 3 months.

Suspension of satisfaction of the claims of the creditors of the bank is expanded on payment commitments appeared till the moment of appointing the temporal administration.

Within the term of suspension of satisfaction of the claims of the creditors of the bank:

the interests, forfeit (fine, fee) and other economic (financial) sanctions for non-fulfillment or improper fulfillment of the payment commitments are imposed;

the enforcement procedures under the property sanctions except for execution of the enforcement documents issued on the grounds of the judicial decision entered into force till the moment of appointing the temporal administration, on collection of the debt on compensating the harm caused to the life or health of the citizens and moral harm and also debt on paying the dismissal wage and wages to the persons working at the insolvent under the labor contract, paying the rewards under authors contracts, alimonies are suspended;

the satisfaction of the claims of the founder (participants) of the bank on apportioning the share to him in the statutory fund of the bank in connection with his exit from the founders (participants) of the bank.

On the sum of the claims under the payment commitments at the size determined on the moment of suspension of satisfaction of the claims of the creditors without consideration of the interest, forfeit (fine, fee) and other economic (financial) sanctions the percents are compounded under the rate of refinancing of the National Bank of the Republic of Belarus.

Suspension of the satisfaction of the claims of the creditors of the bank is not expanded on the claims:

of natural persons in front of who the bank bears responsibility for causing harm to the life or health;

on payment of the dismissal pay and paying wages working at the insolvent under the labor contract and paying the reward under the authors' contracts;

on paying the organizational economic expenses necessary for the activity of the bank.

For the period of suspension of satisfaction of the claims of the creditors of the bank the National Bank of the Republic of Belarus can establish the individual obligatory norms of the bank.

Article 204. Refusal to Fulfill the Contract of the Bank and Invalidity of the Deals of the Bank

In case on suspension of the powers of executive bodies of the bank the head of the temporal administration from the moment of his appointment has the right to refuse to fulfill the contract of the bank in order established by the present Law.

In case of suspension of the powers of the executive bodies of the bank the deal concluded by the bank under the application of the head of the temporal administration or other persons can be recognized by the economic court invalid under the grounds provided by the present Law and other acts of legislation.

Article 205. Expenses of the Temporal Administration

The expenses connected with the activity of the temporal administration including the pay of the work of its members is conducted at the expense of the bank or in order established by the National Bank of the Republic of Belarus.

The budget of the expenditures of the temporal administration is approved by the National Bank of the Republic of Belarus.

Article 206. The Report of the Temporal Administration About Its Activity

The temporal administration presents the report about its activity to the National Bank of the Republic of Belarus in order established by the normative legal acts of the National Bank of the Republic of Belarus.

Article 207. Termination of the Activity of the Temporal Administration

The National Bank of the Republic of Belarus takes decision on determination of the activity of the temporal administration:

at elimination of the reasons being the ground for its appointment;

at transferring the business to the manager;

under other grounds provided by the normative legal acts of the National Bank of the Republic of Belarus.

Determination of the activity of the temporal administration at elimination of the reasons being the grounds for its appointment causes the abolishment of the limits provided by the present Law and also restoration of the powers of the executive bodies of the bank.

After determination of the activity of the temporal administration the powers of the heads of the bank dismissed on the period of its activity from fulfillment of their duties, are restored, if the heads of the bank are not freed from the duties in accordance to the legislation on labor.

The order of determination of the activity of the temporal administration is established by the normative legal acts of the National Bank of the Republic of Belarus.

The message on determination of the activity of the temporal administration is published by the National Bank of the Republic of Belarus in its printing body.

Article 208. Requirements of the National Bank of the Republic of Belarus on Reorganization of the Bank

The National Bank of the Republic of Belarus has the right to demand the conduction of reorganization of the bank in cases provided by the paragraphs two, three and four of the part one of the article 193 of the present Law.

Reorganization of the bank in case provided by par one of the present article in carried out in the form of amalgamation or joining in order established by the legislation.

Article 209. Actions of the Bank at Reception of the Demand of the National Bank of the Republic of Belarus on Reorganization of the Bank

At reception of the demands of the National Bank of the Republic of Belarus on reorganization of the bank the head of the bank is obliged within 5 days from the day of reception of the demand to petition to the highest body of the bank management on necessity of reorganization of the bank.

The highest body of management of the bank after reception of the petition of the head of the bank on necessity of reorganization of the bank is obliged to notify the National Bank of the Republic of Belarus on the decision taken in the term not more than 10 days from the day of reception of the claim of the National Bank of the Republic of Belarus on reorganization of the bank.

The demand to the newly formed in the form of amalgamation or joining banks are determined by the bank legislation.

Article 210. Commencement of the Bankruptcy Case of the Bank

The economic court on the ground of the application of persons mentioned in the article 211 of the present Law can commence the bankruptcy case of the bank only after recalling the license on carrying out the bank operations from the bank.

Article 211. Persons Having the Right to Submit the Application on Bankruptcy of the Bank to the Economic Court

The right to submit to the economic court the application on bankruptcy of the bank have:

bank-insolvent (hereinafter—the bank);

competitive creditor of the bank except for the natural persons having the right to claim to that bank under the contracts of the bank deposit and (or) bank account;

the National Bank of the Republic of Belarus;

prosecutor in cases provided by the present Law;

taxation or other authorized body—under paying of the obligatory payments;

organization guaranteeing the return of the bank deposits to the natural persons-under the commitments appeared at the bank in front of the citizens from the contracts of bank deposit and (or) bank account.

Persons mentioned in the paragraphs two three, five, six and seven of the part one of the present article have the right to submit to the National Bank of the Republic of Belarus the application on recall the license on carrying out the bank operations from the bank at presence of the grounds provided by part four article 10 of the present Law with the enclosure of the documents proving the presence of the money commitments of the bank and their size in accordance with the requirements of the article 4 of the present Law.

Persons mentioned in the paragraphs two, three, five, six and seven of the part one of the present article having submitted to the National Bank of the Republic of Belarus the application on recalling the license on carrying out the bank operations from the bank in case of not receiving the response of the national Bank of the Republic of Belarus within 2 months after submitting the mentioned application have the right to submit to the economic court the application on bankruptcy of the bank.

At arrival of the application on bankruptcy of the bank to the economic court the court before the commencement of the procedure on the bankruptcy case offers the National Bank of the Republic of Belarus to give a resolution of the National Bank of the Republic of Belarus on the expediency of recalling the license on carrying out the bank operations from the bank or the copy of the act of the National Bank of the Republic of Belarus on recall of this license. The National Bank of the Republic of Belarus is obliged to direct the mentioned in the present part documents to the economic court within 1 month after reception of the offer of the economic court.

Presentation to the economic court the copy of the act of the National Bank of the Republic of Belarus on recall of the license on carrying out the bank operations from the bank at the term provided by the part four of the present article is the ground to commence the procedure on bankruptcy case.

At reception by the economic court within one month the resolution of the National Bank of the Republic of Belarus on expediency of recalling the license on carrying out the bank operations from the bank the application on its bankruptcy is returned to the creditor.

At non-reception by the economic court within one month of the resolution of the National Bank of the Republic of Belarus mentioned in part six of the present article the application on bankruptcy of the bank is returned to the creditor. In that case the person having submitted to the National Bank of the Republic of Belarus the application on recall of the license on carrying out the bank operations from the bank has the right to demand in the economic court the compensation from the National Bank of the Republic of Belarus the damages caused by not taking by the National Bank of the Republic of Belarus the decision on recalling the mentioned license from the bank or on taking measures on prevention of the bankruptcy of the bank provided by the present Law and referred to the competence of the National Bank of the Republic of Belarus.

Article 212. Persons Participating in the Bankruptcy Case of the Bank

Persons participating in the bankruptcy case of the bank are the persons mentioned in the article 20 of the present Law and also:

National Bank of the Republic of Belarus—at commencing the bankruptcy case of the bank under the application of the National Bank of the Republic of Belarus;

organization guaranteeing the return of the bank deposits to the natural persons—at commencing the bankruptcy case of the bank under the application of that organization.

In case, if the ground for recall of the license on carrying out the bank operations are the unsatisfactory financial state of the bank, non-fulfillment its commitments in front of the depositors and creditors and if within the term of five calendar days from the day of recall of the mentioned license the National Bank of the Republic of Belarus has not received the resolution or other document proof of commencement of the procedure on bankruptcy case of the bank, the National Bank is obliged within 5 days to submit to the economic court the application on bankruptcy of the bank independently from its debt in front of the National Bank of the Republic of Belarus.

Article 213. Persons Participating in the Court Procedure on Bankruptcy Case of the Bank

In the court procedure on bankruptcy case of the bank participate the persons mentioned in the article 21 of the present Law and also:

National Bank of the Republic of Belarus—in case when the application on bankruptcy of the bank was submitted by other person;

organization guaranteeing the return of the bank deposits to the natural persons—in case, when the application on bankruptcy of the insolvent is submitted by other person.

Article 214. Documents Enclosed to the Application on Bankruptcy of the Bank

To the application on bankruptcy of the bank besides for the documents provided by the present Law the act of the National Bank of the Republic of Belarus on recall of the license on carrying out the bank operations from the bank published in the printing body of the National Bank of the Republic of Belarus or its copy attested by the National Bank of the Republic of Belarus are enclosed.

Article 215. Commencement of the Procedure on Bankruptcy Case of the Bank

In the resolution on commencement of the procedure on bankruptcy case of the bank the economic court indicates about opening the competitive procedure and appointing the manager.

The copy of the application of the bank on its bankruptcy is directed to the National Bank of the Republic of Belarus.

Copies of the applications of the persons mentioned in the article 211 of the present Law on bankruptcy of the bank are directed to that bank and also to the National Bank of the Republic of Belarus.

The National Bank of the Republic of Belarus at submitting the application on bankruptcy of the bank can present to the economic court the candidate of the manager.

Article 216. Refusal to Accept the Application on Bankruptcy of the Bank

The economic court refuses to accept the application on bankruptcy of the bank, if one of the conditions provided by the article 210 of the present Law has been violated.

Article 217. Return of the Application on Bankruptcy of the Bank

The application on bankruptcy of the bank not meeting the requirements provided by the articles 7,10 and 22-30 of the present Law is returned by the economic court to the person having submitted the application together with the documents enclosed.

Article 218. Sending the Judicial Acts by the Economic Court

The economic court sends the judicial acts (their copies) to the persons participating in the case on bankruptcy of the bank within 5 days from the day of their adoption (passing).

Article 219. Account of the Bank

The manager is obliged to use at the process of the competitive procedure only the correspondent account of the bank, in relation to which the competitive procedure has been opened, opened in the establishment of the National Bank of the Republic of Belarus. The order of opening of the mentioned account and execution of payments under this account is established by the normative legal acts of the National Bank of the Republic of Belarus.

Within 10 days from the day from the day of presenting by the manager to the National Bank of the Republic of Belarus the document proving the right of the manager to carry out the operations by the correspondent account of the bank, in relation to which the competitive procedure has been opened, to the mentioned account in order established by the normative legal acts of the National Bank of the Republic of Belarus the rests of the money assets from the correspondent accounts of the bank opened in other banks and also other money assets of the bank deposited by the bank in the National Bank of the Republic of Belarus are transferred.

Article 220. Publication of the Information on Bankruptcy of the Bank

The announcement on opening in relation to the bank the competitive procedure within 15 days from the day of presenting by the manager to the National Bank of the Republic of Belarus the documents proving the right of the manager to carry out operation on correspondent account of the bank, in relation to which the competitive procedure has been opened, is transferred for publication at the expense of the bank to the printing body of the High Economic Court of the Republic of Belarus, printing body of the National Bank of the Republic of Belarus or other republican mass media in order established by the present Law.

Article 221. Peculiarities of Liquidation of the Bank

The economic court within 4 months from the day of commencement of the procedure on bankruptcy case of the bank takes decision on opening in relation to the bank the liquidation procedure.

The opening in relation to the bank the liquidation procedure is the ground for introduction by the National Bank of the Republic of Belarus the relevant note to the Unified State Register of the legal persons and individual entrepreneurs.

The manager monthly presents to the National Bank of the Republic of Belarus the accounting and statistic reports of the liquidated bank established by the National Bank of the Republic of Belarus.

The manager in term not more than 6 months after opening the liquidation procedure makes the intermediate liquidation balance that contain the information on composition of the property of the liquidated bank, list of the claims made by the creditors and also the results of their consideration.

The intermediate liquidation balance is subject to agreement with the National Bank of the Republic of Belarus. The National Bank of the Republic of Belarus within one month from the day of presenting this balance directs the resolution on it to the economic court.

After ending the payments with the creditors the manager makes the liquidation balance that is presented for approval to the National Bank of the Republic of Belarus and economic court.

The manager passes the documents to the state archive in order and in accordance with the list approved together with the state body carrying out the state policy in the sphere of archiving and National Bank of the Republic of Belarus.

From the moment of introduction of the note on liquidation of the bank to the Unified state register of the legal persons and individual entrepreneurs the liquidation of the bank is considered to be finished, and the bank—having ended its existence.

The note in the Unified State Register of the legal persons and individual entrepreneurs on liquidation of the bank is introduced on the ground of resolution of the economic court on ending the liquidation procedure.

Article 222. Peculiarities of the Distribution of the Property of the Bank

From the property of the bank the claims of the natural person being the creditors under the bank deposit and (or) bank account contracts concluded with them are satisfied without a turn.

Article 223. Liability of the Founders (Participants) of the Bank at its Bankruptcy

In case of bankruptcy of the bank through the fault of its founders (participants) having the right to give the obligatory directions to that bank or having he possibility to determine its actions in other way, the subsidiary liability can be laid on those founders (participants) in order established by the legislative acts.

Article 224. Peculiarities of the Bankruptcy of the Bank Being Liquidated

If the cost of the property of the bank, in relation to which in accordance with the civil legislation the decision on liquidation has been taken, is not enough for satisfaction of the claims of the creditors, the

bank is liquidated in order established by the present Law with the consideration of the peculiarities provided by the present chapter.

In case of revealing the circumstances provided by the part one of the present article the right to submit the application on recognition of the bank being liquidated the insolvent belongs to the National Bank of the Republic of Belarus.

Article 225. Peculiarities of the Bankruptcy of Some Banks and Non-bank Credit Financial Organizations

At the procedures on bankruptcy cases of the banks, on which the effect of the articles 250-253 of the present Law is expanded, the candidate of the manager is presented by the National Bank of the Republic of Belarus.

In cases of bankruptcy of the non-bank credit financial organizations the provisions of the present chapter regulating the bankruptcy of the banks with the consideration of the peculiarities provided by the bank legislation are applied.

Chapter 7. Bankruptcy of the Insurance Organizations

Article 226. Persons Having the Right to Submit the Application on Bankruptcy of the Insurance Organization to the Economic Court. Persons Participating in the Court Procedure on Case on Bankruptcy of the Insurance Organization

The right to submit the application on bankruptcy of the insurance organization to the economic court belongs to the insolvent, competitive creditor, prosecutor and other authorized body.

At the procedure on bankruptcy case of the insurance organization the persons mentioned in article 21 of the present Law and also the body of state management on control over the insurance activity are recognized as participating in the court procedure.

Article 227. The Sale of the Enterprise of the Insurance Organization

The sale at the process of readjustment of the enterprise of the insurance organization is carried out in accordance with the article 130 of the present Law, if otherwise is not provided by the present Law.

At carrying out the liquidation procedure the enterprise of the insurance organization can be sold only with the agreement of the purchaser to take over the insurance contracts, on which the insured accident has not occurred before the date of the opening the liquidation procedure.

The purchaser of the enterprise of the insurance organization can be only an insurance organization.

In case of sale of enterprise of the insurance organization at the process of readjustment all rights and duties under the insurance contracts, on which the insured accident has not occurred before the date of the sale of the enterprise of the insurance organization, are transferred to the purchaser.

Article 228. The Right to Claim of the Insured in Case of the Bankruptcy of the Insurance Organization

In case of opening by the economic court in relation to the insurance organization the liquidation procedure all insurance contracts that were concluded by this organization acting as an insurer and under which the insured accident has not occurred before the date of opening the liquidation procedure, are terminated except for the cases provided by the article 227 of the present Law.

Insured, beneficiaries under the insurance contracts under the contracts terminated on the ground provided by part one of the present article have the right to demand the return of the part of the insurance premium paid counted proportionally to the difference between the term of the validity of the insurance contract and the term, within which the insurance contract was valid, if otherwise is not provided by the legislative acts.

Insured, beneficiaries under the insurance contracts, under which the insured accident has occurred before the date of opening the liquidation procedure in relation to the insurance organization by the economic court, have the right to demand the payment of the insurance sum (insurance compensation, insurance coverage).

Article 229. Order of Satisfaction of the Creditors of the Fifth Turn in Case of the Bankruptcy of the Insurance Organization

In case of opening the liquidation procedure in relation to the insurance organization by the economic court the claims of the creditors of the fifth turn are satisfied in the following order:

in the first turn—the claims of the creditors under the contracts of obligatory personal insurance;

in the second turn—the claims of the creditors under other contract of obligatory insurance;

in the third turn—the claims of other creditors-insured, beneficiaries including the claims provided by part two of the article 228 of the present Law;

in the fourth turn—claims of other creditors.

Chapter 8. Bankruptcy of the Professional Participants of the Securities Market

Article 230. Persons Participating in the Court Procedure on Bankruptcy Case of the Professional Participant of the Securities Market

At procedure on bankruptcy case of the organization being a professional participant at the securities market the persons participating in the court procedure are the persons mentioned in the article 21 of the present Law and also the body of state management on regulation of the securities market.

Article 231. Requirements to the Manager Participating in Case on Bankruptcy Case of the Professional Participant of the Securities Market

The manager participating in the case on bankruptcy of the professional participants of the securities market shall have a license of the manager and also additionally the special certificate of the manager issued by the body of the state management on regulating the securities market.

Article 232. Peculiarities of the Limitations on Carrying Out the Deals by the Professional Participants of the Securities Market

At application of the procedures of bankruptcy the limitations on carrying out the deals by the professional participants of the securities market provided by the present Law is not expanded on the deals with the securities of its clients conducted under the commission of its clients and confirmed by the lasts ones after the commencement of the procedure on bankruptcy case of the professional participants of the securities market.

The manager at procedure on bankruptcy case of the professional participant of the securities market is obliged within 10 days from the day of his appointment to direct to the clients who transferred to the insolvent-professional participant of the securities market the securities belonging to them for the management, the notification on commencement the competitive procedure in relation to that insolvent and his entrance to the right of the manager. In this notification the requisites of the license of the manager and also the kind and requisites of the special certificate of the manager issued by the body of state management on regulation of the securities market are indicated, and its is offered to give the instruction on the actions that are necessary to make with the securities belonging to the client.

Article 233. Peculiarities of the Readjustment and Liquidation of the Procedure in Relation of the Professional Participants of the Securities Market

Securities and other property of the client being in disposal of the professional participant of the securities market are not included into the property of the insolvent-professional participant of the securities market.

From the moment of introduction of the readjustment or opening of the liquidation procedure in relation to the professional participant of the security market the rest of the securities of the clients are subject to the return of the clients, if otherwise is not provided by the agreement of the manager with the clients.

If the claims of the clients in relation to the returning of the securities of one kind (one issuer, one category, one type, one series) belonging to the user exceed the quantity of this securities being in disposal of the professional participant of the securities market, the return of this securities to the clients is carried out proportionally to the claims of the clients.

The claims of the clients at the unsatisfied part are recognized the money commitments and are satisfied (paid) in order provided by the present Law.

At the process of readjustment of the organization being a professional participant of the securities market, the manager has the right with the agreement and on behalf of the clients to transfer the securities transferred to them by this organization in management, or other organization having the relevant license of professional participant of the securities market.

Chapter 9. Bankruptcy of the Organizations Carrying Out the Illegal Activity on Attracting the Money Assets of the Natural Persons

Article 234. Bankruptcy of the Organization Carrying out the Illegal Activity on Attracting the Money Assets of the Natural Persons

The procedure on bankruptcy case of the organization carrying out the illegal activity on attracting the money assets of the natural persons is conducted in order established by the articles 247-249 of the present law with consideration of the peculiarities provided by the present article.

The right on submission of the application on bankruptcy of the organization carrying out the illegal activity on attracting the money assets of the natural persons to the economic court belongs to the insolvent creditors, prosecutor and state bodies authorized in accordance with the legislative acts to submit the application on protection of the state and public interests to the economic court.

The satisfaction of the claims of the creditors the insolvent-organization carrying out the illegal activity on attracting the money assets of the natural persons is conducted with the consideration of the peculiarities provided by the present Law for the bankruptcy of the banks and non-bank credit financial organizations.

In case of insufficiency of the property of the insolvent-organization carrying out the illegal activity on attracting the money assets of the natural persons for satisfaction of the claims of the depositors-natural person the heads and founders (participants) of this insolvent bear subsidiary liability under the claims of depositors-natural persons.

Section X. Peculiarities of the bankruptcy of the individual entrepreneurs

Article 235. Regulation of the Bankruptcy of the Individual Entrepreneur

To the relations connected with the bankruptcy of the individual entrepreneur the provisions of the sections I-VIII of the present Law are applied if otherwise is not provided by the present section.

Article 236. Application on Bankruptcy of the Individual Entrepreneur

The right on submission into the economic court on application on bankruptcy of the individual entrepreneurs belongs to the insolvent-individual entrepreneur (hereinafter—individual entrepreneur), creditors under the commitments connected with the entrepreneurs' activity, prosecutor, taxation and other authorized bodies under the claims under the obligatory payments.

At conduction of the procedures of bankruptcy in relation to the individual entrepreneur his creditors under the commitments not connected with the entrepreneurs' activity and also the creditors under the claims of the personal character have the right to submit their claims.

Article 237. Plan of Paying the Debts of the Individual Entrepreneur

To the application of the individual entrepreneurs on its bankruptcy the plan of paying his debts, copies of which are directed to the creditors and other persons participating in the bankruptcy case of the individual entrepreneur can be enclosed.

At absence of the objections of the creditors the economic court can approve the plan of paying the debts of the individual entrepreneur.

Approval of the economic court the plan of paying the debts of the individual entrepreneur is the ground for the suspension of the procedure on bankruptcy on bankruptcy of the individual entrepreneur on the term not more than 3 months.

In the plan of paying the debts of the individual entrepreneur the following shall be indicated:

the term of its fulfillment;

the sizes of the sum that are suggested to directs monthly on paying the claims of the creditors.

The economic court has the right under the motivated petition of the persons participating in the bankruptcy case of the individual entrepreneur to change the plan of paying the debt including the increase or decrease of the term of fulfillment of the plan and also the sizes of the living assets.

If in the results of execution of the plan of paying the debts by the individual entrepreneur the claims of the creditors are paid at the full amount, the procedure on bankruptcy of the individual entrepreneur is subject to the determination.

Article 238. Property Not Included Into the Property of the Individual Entrepreneur

To the property of the individual entrepreneur the property, on which in accordance with the civil procedure legislation the collection cannot be imposed, is not included.

The economic court has the right under the motivated petition of the individual entrepreneur and other persons participating in the bankruptcy case of the individual entrepreneur to exclude the property, on which in accordance with the appendix 1 to the Civil Procedure Code of the Republic of Belarus dated of January 11, 1999 the collection cannot be imposed, and also the property, that are not liquid or the profit from its realization will not fundamentally influence the satisfaction of the claims of the creditors.

The list of the property excluded in accordance with the provisions of the part two of the present article from the property of the individual entrepreneur is subject to the approval by the economic court. In this case the economic court passes the resolution on approval of the list of the property excluded from the property of the individual entrepreneur.

The resolution of the economic court on approval of the list of the property excluded from the property of the individual entrepreneur can be appealed in order established by the legislative acts.

Article 239. Consideration of the Bankruptcy Case of the Individual Entrepreneur by the Economic Court

The economic court together with accepting the application on bankruptcy of the individual entrepreneur imposes the arrest on the property of the individual entrepreneur except for the property, on which the collection cannot be imposed according to the civil procedure legislation.

The economic court under the petition of the individual entrepreneur can free the property (part of the property) of the individual entrepreneur from the arrest in case of giving the guarantee or other securing of fulfillment of the commitments of the individual entrepreneur by the third persons.

The economic court for fulfillment by the individual entrepreneur the payments with the creditors or making he amicable settlement on the ground of application of the individual entrepreneur can postpone the consideration of the bankruptcy case of the individual entrepreneur not more than to 1 month.

At presence of the information on opening the inheritance on behalf of the individual entrepreneur the economic court has the right to suspend the procedure on bankruptcy case of the individual entrepreneur till the decision on the question on the fate of the inheritance in order established by the legislation.

If the individual entrepreneur at the term established by part three of the present article has not presented the evidence on satisfaction of the claims of the creditors or within the mentioned term the amicable settlement has not been made, the economic court passes the resolution on opening the competitive procedure.

Article 240. Notification of the Creditors

Together with publication of the resolution on opening the competitive procedure in relation to the individual entrepreneur the economic court directs its copies to all known creditors of the individual entrepreneur with indication of the term of submission the claims to the individual entrepreneur.

The term of submission of the claims of creditors to the individual entrepreneur cannot exceed two months.

The economic court directs the copies of the decision on the opening the liquidation procedure in relation of the individual entrepreneur to the taxation bodies and also to the body that have registered the natural person as an individual entrepreneur.

The expenses on sending the copies of the resolution of the economic court on opening the competitive procedure in relation to the individual entrepreneur are conducted at the cost of individual entrepreneur.

Article 241. Prohibition on Entrepreneur's Activity

Individual entrepreneur without the permission of the economic court the entrepreneur's activity after passing the resolution on opening in relation to the competitive procedure and till the ending of the procedure on bankruptcy case is prohibited.

Article 242. Limitation of the Entrepreneur's activity of the Individual Entrepreneur

An individual entrepreneur in case of the falsified bankruptcy or premeditated bankruptcy, or concealing his bankruptcy in the judicial order can be limited in his right to carry out the entrepreneurs activity on the term up to 3 years.

Article 243. Payment of the Assets for Living at the Expense of the Property of the Insolvent

If in connection with the procedure on bankruptcy case of the individual entrepreneur he was left without the assets for the living, under his application or application of the persons being at his support,

the economic court appoints the necessary living assets to him and (or) to the persons being at his support at the expense of the property of the individual entrepreneur at the period of procedure on bankruptcy case.

The living assets are appointed and paid monthly from the calculation not more than one living minimum on a person.

Article 244. The Turn Order of Satisfaction of the Claims of the Creditors of the Individual Entrepreneur

Out of the turn the judicial expenses and expenses connected with paying the reward to the manager or paying the living assets to the individual entrepreneur and (or) to the persons being at his support are covered, the current payments connected with his entrepreneur's activity at the process of competitive procedure are paid including the communal utilities, exploitation and other services are covered, and also the claims of the creditors under the money commitments of the individual entrepreneur appeared at the process of competitive procedure.

The claims of the creditors of the individual entrepreneur are satisfied in the following order:

in the first turn the claims of the natural persons, in front of who the individual entrepreneur bears responsibility for causing harm to their life or health are satisfied by the capitalization of the relevant time payment and also the claims on paying the alimony;

in the second turn the payments of the dismissal wages and payment of the wages working at the individual entrepreneur under the labor contract and pay the reward to the author's contracts;

in the fourth turn the claims of the creditors under commitments provided by the pawning of the property of the individual entrepreneur are satisfied;

in the fifth turn the payments with other creditors are conducted.

The payments with the creditors are carried out in order provided by the article 145-150 of the present Law.

Article 245. Freeing of the Individual Entrepreneur From the Commitments

After ending the payments with the creditors of the individual entrepreneurs recognized bankrupt according to the present Law is freed from the further fulfillment of the claims submitted at execution of the procedures of bankruptcy in relation to the individual entrepreneurs for exception of the claims provided by the article 246 of the present Law.

Article 246. Claims of the Creditors after Ending the Procedure on Bankruptcy Case of the Individual Entrepreneur

The claims of the creditors on compensation of harm caused to the life or health of the natural persons, claims on paying the alimony and also other claims of the personal character not paid in order of the enforcement of the decision of the economic court on opening the liquidation procedure in relation to individual entrepreneur or satisfied in part, or not submitted at the carrying out the bankruptcy procedures in relation to the individual entrepreneurs preserve the effect and can be presented after ending the procedure on bankruptcy case of the individual entrepreneur according at a full or in the part not satisfied.

In cases of revealing the fact of concealing by the individual entrepreneur of the property or illegal transfer of the property to the third persons the creditor, whose claims are not fully satisfied at the process of procedure on bankruptcy case of the individual entrepreneur, has the right to submit the claim on imposing the collection of this property in the part of the debt not satisfied.

Section XI. Simplified Procedures of Bankruptcy

Chapter 1. Peculiarity of the Bankruptcy of the Insolvent-Legal Person Being Liquidated

Article 247. Bankruptcy of the Insolvent-Legal Person Being Liquidated

If the cost of the property of the insolvent-legal person (hereinafter—legal person) in relation to which in accordance with the legislation the decision on liquidation has been taken is not enough for satisfaction of the claims of the creditors, the legal person is liquidated in order established by the present Law with the consideration of the peculiarities provided by the present chapter.

At revealing the circumstances provided by part one of the present article the liquidation commission is obliged to submit to the economic court the application on bankruptcy of the legal person within one month form the day of revealing this circumstance.

At revealing the circumstance provided by part one of the present article, after taking the decision on liquidation of the legal person and before the appointing the liquidation commission (appointing the liquidator) the owner of the property of the legal person-unitary enterprise, the founder (participant) of the legal person or its head or other authorized body are obliged to submit the application on bankruptcy of the legal person within one moths from the revealing of this circumstance.

Application on bankruptcy of the legal person at presence of the circumstance provided by part one of the present article can be submitted by the creditor of this insolvent.

Article 248. Peculiarities of Consideration of the Bankruptcy Case on Liquidation of Legal Person

In resolution on commencement of the procedure on bankruptcy case of the legal person being liquidated the economic court mentioned the opening of the competitive procedure and appointing the manager.

If before the commencement of the bankruptcy case of the legal person on the ground provided by part one of the article 247 of the present Law in the order established by the legislation the liquidation commission (liquidator) is appointed, after the commencement of the bankruptcy case of this legal person this commission (liquidator) transfers all cases of the legal person to the manager in term established by the economic court that cannot exceed 7 days form the day of commencement of the bankruptcy case.

Duties of the manager can be laid on the representative of the liquidation commission (liquidator), if he meets the requirements of the manager in accordance with the article 62 of the present Law.

If at consideration of the bankruptcy case it will be established, that the property of the legal person (actives) allow to satisfy the claims of all creditors at a full amount, the economic court has the right to stop the procedure on bankruptcy case of this legal person. The resolution of the economic court on determination of the procedure on bankruptcy case is the ground for conducting (continuing) the liquidation of the legal person in accordance with the civil legislation.

The economic court within 4 months from the day of commencement of the procedure on bankruptcy case of the liquidated legal person takes the decision on opening the liquidation procedure in relation to this legal person.

Readjustment and amicable settlement at the procedure on bankruptcy case of the legal person being liquidated can be applied in order established by the present Law after abolished the decision on liquidation of this legal person in accordance with the civil legislation by the body or person, who have taken this decision. In this case the consideration of the bankruptcy case is carried out without the consideration of the peculiarities provided by parts four and five of the present article.

The protection period at the procedure on bankruptcy case of the legal person being liquidated is not applied.

Article 249. Consequences of the Refusal to Liquidation of the Legal Person in Bankruptcy Order

The violation of the requirements provided by part two of the article 247 of the present Law is the ground for refusal to introduce the note on liquidation of the legal person in the Unified State Register of legal persons and individual entrepreneurs.

The owner of the property of the insolvent-unitary enterprise, the founder (participants) of the legal person, its head and the head of the liquidation commission (liquidator) allowing he violation of the requirements provided by parts two and three of the article 247 of the present Law bear altogether the subsidiary responsibility under the payment commitments of the legal persons and also under commitments sequent from the labor and connected with them relations and other expenses provided by part one of the article 144 of the present Law at the size of the claims of the creditors not satisfied.

Chapter 2. Bankruptcy of the Absent Insolvent

Article 250. Peculiarities of the Submission of the Bankruptcy of the Absent Insolvent

In cases, when the insolvent-individual entrepreneur or the head of the insolvent that practically stopped the activity is absent and it is impossible to determine their location, the application on bankruptcy of the absent insolvent can be submitted by the creditor, prosecutor, taxation and other authorized body.

Article 251. Consideration of the Bankruptcy Case of the Absent Insolvent

The candidate of the manager in the procedure on bankruptcy case of the absent insolvent is presented by the body of state management on bankruptcy affairs.

In resolution on commencement of the procedure on bankruptcy of the absent insolvent the economic court indicates the opening of the competitive procedure.

The manager in accordance with the present Law publishes the message on opening the competitive procedure in relation of the absent insolvent and also in written form notifies on bankruptcy of the absent insolvent all the creditors of the insolvent known to it.

At the process of the procedure on bankruptcy case of the absent insolvent the coverage of the judicial expenses, expenses on paying the reward to the manager and also other expenses provided by part one of the article 144 of the present Law is conducted from the assets of the special fund at the body of state management on bankruptcy affairs in order established by the legislation.

The economic court within 3 months from the day of commencement of the procedure on bankruptcy case of the absent insolvent takes the decision on opening the liquidation procedure in relation of this insolvent.

The term of liquidation of the procedure of the absent insolvent cannot exceed 6 months.

The protection period, readjustment and amicable settlement in the procedure on bankruptcy case of the absent insolvent are not applied.

Article 252. Search and Return of the Property of the Absent Insolvent

The manager is obliged to apply the possible measures provided by the legislation on the search and return of the property of the absent insolvent.

In case of revealing by the manager of the property of the absent insolvent the sum received from this property is directed on coverage of the judicial expenses, expenses on paying the reward to the manager and also other expenses provided by part one of the article 144 of the present article

Under the petition of the manager at revealing the property of the absent insolvent sufficient for coverage the expenses mentioned in part two of the present article, the economic court has the right to pass the resolution on determination of the simplified procedure on bankruptcy established by the present chapter at transition to other procedures of bankruptcy provided by the present Law.

Article 253. Application of the Provisions on Bankruptcy of the Absent Insolvent

The provisions provided by the present chapter are applied also by the economic court in case, if the property of the insolvent –legal person does not allow the coverage of the judicial expenses, expenses on paying the reward to the manager and also other expenses provided by part one of the article 144 of the present Law and if within 12 months till the day of commencement in the economic court the case on bankruptcy the operations at the accounts of the insolvent did not take place, or if there other signs proving the absence of entrepreneur's or other activity of the insolvent.

Section XII. Announcement on Voluntary Bankruptcy of the Legal Person

Article 254. Grounds and Conditions of Announcing the Voluntary Bankruptcy of the Legal Person

At presence of signs of insolvency of the legal person being of stable character, the head of the legal person can announce the voluntary bankruptcy of the legal person and its liquidation.

The announcement on bankruptcy of the legal person and its liquidation can be made on the basis of the decision of the owner of the property of the legal person-unitary enterprise or body authorized in accordance with the statutory documents of the legal person on taking the decision on its liquidation.

The head of the legal person can announce the voluntary bankruptcy of the legal person and its liquidation only at the condition of reception of written agreement of all creditors of this legal person.

Article 255. Announcement on Voluntary Bankruptcy of the Legal Person and Its Liquidation

At observance of the provisions of the article 254 of the present Law and on the grounds of the application of the legal person the republican mass media publish the announcement on voluntary bankruptcy of the legal person and its liquidation in order established by the legislation.

In announcement on voluntary bankruptcy of the legal person and its liquidation the term for claims of the creditors and objections of the creditors against the liquidation of the legal person is indicated.

The term for submission of the claims of the creditors and objecting against the liquidation of the legal person cannot be less than 2 months from the day of publishing the announcement on voluntary bankruptcy of the legal person and its liquidation.

The head of the legal person is obliged to consider the claims of the creditors, include them into the register of claims of the creditors and start paying to the creditors in accordance with the provisions provided by sections V and VII of the present Law except for those provisions of these sections that regulate the activity of the economic court at competitive procedure.

At liquidation of the legal person the duties of the manager are carried out by the head of the liquidation commission (liquidator) that shall meet the requirements of the manager in accordance with the article 62 of the present Law.

Article 256. Objections of the Creditors Against the Voluntary Bankruptcy of the Legal Person and Its Liquidation

At presence of the written objections of at least one creditor of the legal person against the voluntary bankruptcy of the legal person and its liquidation the head of the legal person is obliged within 14 days from the day of the determination of the term for submission of the claims of the creditors and objecting by the creditors against the liquidation of the legal person to submit the application of the insolvent to the economic court.

Any of the creditors of the legal person at any moment before the liquidation of the legal person can submit the application of creditors to the economic court.

Article 257. Liability for the Infringement of the Order of the Voluntary Bankruptcy of the Legal Person and Its Liquidation

In cases of the infringement of the requirements provided by articles 254-256 of the present Law, concealing the property by the legal person, illegal transfer of the property to the third persons the owner of the property of the legal person-unitary enterprise the founders (participants) of the legal person and its head altogether bear the subsidiary liability in front of the creditors at the amount of the claims not satisfied. The mentioned requirements of the creditors can be submitted within 10 days from the day of the ending the liquidation of the legal person.

Section XIII. Final Provisions

Article 258. Application of the Present Law by the Economic Courts

The present Law is applied by the economic courts at consideration of the bankruptcy cases the procedure on which was commenced after entrance into force of this Law.

The procedures on bankruptcy provided by the present Law (readjustment, liquidation procedure and amicable settlement) can be introduced after the entrance into force of the present Law at consideration of the bankruptcy cases by the economic courts regardless from the day of taking these cases to procedure. At this case the further consideration of the bankruptcy case is carried out in accordance with the present Law.

Article 260. Bringing of the Acts of Legislation in Accordance with the Present Law

To the Council of Ministers of the Republic of Belarus within 6 months form the day of official publication of the present Law:

to prepare and introduce in established order to the Chamber of representatives of the National Assembly of the Republic of Belarus the suggestions on bringing the legislative acts of the Republic of Belarus in accordance with the present Law;

to bring to the President of the Republic of Belarus the drafts of the normative legal acts providing the bringing into force of the resent Law;

to bring the acts of the Government of the Republic of Belarus in accordance with the present Law;

to adopt the legal acts providing the implementation of the present Law;

to take other measures necessary for implementation of the present Law.

Article 261. Recognition of Several Acts of Legislation on Bankruptcy (Their Several Provisions) Without Force and Introduction of Alterations into the Acts of the Legislation

In connection with adoption of the present Law to recognize the following as have no force:

Law of the Belarusian Soviet Socialists Republic dated of May 30, 1991 "On economic insolvency and bankruptcy";

Resolution of the Supreme Council of the Belarusian SSR dated of May 30, 1991 "On entering into force the Law of the Belarusian SSR "On economic insolvency and bankruptcy";

Section IV of the Law of the Republic of Belarus dated of June 17, 1993 "On introduction of alternations and amendments into the Laws of the Republic of Belarus "On property of the Republic of Belarus", "On Lease", "On commodity exchange", "On economic insolvency and bankruptcy";

Section IV of the Law of the Republic of Belarus dated of January 18, 1994 "On introduction of alternations and amendments to some legislative acts connected with the questions of the economic relations".

In connection with adoption of the present Law to exclude the second sentence of the point 4 of the resolution of the Presidium of the Supreme Council of the Republic of Belarus and Council of Ministers of the Republic of Belarus dated of June 19, 1992 "On sources of replenishment of the own floating assets and stabilization of the financial state of the state, leased and people's enterprises and organizations".

* unofficial translation *