

The Bankruptcy Act, Cap 20

The personal insolvency regime in Singapore is governed by the Bankruptcy Act of 1999 (“the Act”) which replaced the Bankruptcy Ordinance of 1988. The Act substantially overhauled the personal insolvency regime in Singapore. Introducing the the Act in parliament Singapore’s Minister for Law, Professor S Jayakumar, gave the following as reasons for the introduction of the Act : (i) to improve the administration of the affairs of bankrupts by streamlining cumbersome and archaic bankruptcy procedures and to protect the interests of creditors without stifling entrepreneurship; (ii) to strike a fair balance between the interests of the debtor, the creditor and society; (iii) to ensure greater accountability of bankrupts in the administration of their estates; and (iv) to promote speedier discharges of bankrupts.

The Companies Act, Cap 50

The present Companies Act, Cap. 50 (“the Act”) was first enacted in Singapore in 1967. The Act governs also the corporate insolvency regime in Singapore. Over the course of the last 38 years, the Act has been amended several times, and amendments to the Act pertaining to the corporate insolvency provisions have constantly been based on the four overriding objectives of Singapore’s corporate insolvency laws: (a) restoring the debtor to profitable trading where this is practicable; (b) maximising the return to creditors as a whole where the company itself cannot be restored to profitable trading; (c) establishing a fair and equitable system for the ranking of claims and distribution of assets among creditors; and (d) providing a mechanism by which the causes of failure can be identified and those guilty of mismanagement or misconduct held responsible for their acts.