
CAN I CONTINUE TO EARN?

In bankruptcy the High Court can apportion any income to your creditors after your living expenses have been allowed for.

Any implications for salary or pension are part in insolvency arrangements are agreed in advance. It is a new element of the legislation that if there has been any excessive payments into pension that this will form part of the arrangement and may be clawed back.

CAN I STILL KEEP MY BANK ACCOUNT?

Yes!

You can operate a bank account. You may be limited in the amount of credit you can apply for without disclosing this however.

CAN I STILL RUN MY BUSINESS?

Yes!

As long as you trade in your own name. The bankruptcy court will usually require that a report is given on a regular basis. If you trade in a name other than that in which you were made bankrupt without disclosing this, you are guilty of an offence. There is no such intrusive reporting in Personal Insolvency Arrangements unless there is a variation of income which must be taken into account on an annual basis as a change in circumstance.

CAN I MANAGE A COMPANY OR BECOME A DIRECTOR OF A COMPANY?

In bankruptcy, no. Under the Companies Acts it is an offence for a

bankrupt to act in various capacities in relation to a company. These include director, auditor, manager, liquidator or receiver of a company.

There is no such restriction, however, if someone chooses to be involved in the insolvency arrangements.

CAN I WORK?

Yes!

You can continue in current employment or seek employment.

CAN I TRAVEL OUTSIDE THE JURISDICTION?

There is no outright prohibition on you travelling abroad but if you are bankrupt you should inform the Official Assignee if you intend to do so. You may be arrested if it appears to the High Court that you may be leaving the State in order to avoid the consequences of your bankruptcy.

There is no such limitation in the insolvency arrangements unless it might impact on the operation of the arrangement.

ARE THERE OTHER CONSEQUENCES?

You are not entitled to hold elected representative office, in local authorities, in the Dáil or the Seanad.

ARE THERE ALTERNATIVES TO BEING MADE A BANKRUPT OR PERSONAL INSOLVENCY ARRANGEMENT?

Yes!

A debtor may enter a voluntary arrangement with their creditors to settle debts due to them and to avoid bankruptcy or other proceedings against

them. Alternatively, a debtor can apply for an arrangement under the protection of the High Court. This is where a debtor asks the High Court for protection against proceedings to give them time to present a proposal to their creditors.

The legislation for personal insolvency favours personal insolvency over bankruptcy but also leaves the door open for individual arrangements been made with creditors as long as such arrangements are neither preferential not fraudulent.

WHEN I HAVE BEEN DISCHARGED FROM BANKRUPTCY OR PERSONAL INSOLVENCY WILL MY NAME BE REMOVED FROM THE REGISTER?

No,

The Register is a record of all bankruptcies and personal insolvencies, including those that have been discharged. A person searching the Register is told the status of the bankruptcy (discharged) or personal insolvency and the date it was discharged or completed. No information is given about their address.

FOR MORE INFORMATION

Tel: 052- 612 43 44

Address: Jervis House,
Parnell Street,
Clonmel,
Co Tipperary

Email: info@lynchsolicitors.ie

Website: www.lynchsolicitors.ie



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