

WHAT IS A PRESCRIBED FINANCIAL STATEMENT? (PFS)



For those wishing to avail of the new provisions under the Personal Insolvency Act 2012 one of the preliminary steps in doing so will be the completion of a Prescribed Financial Statement.

For those people entering into a Debt Settlement Arrangement or a Personal Insolvency Arrangement the Prescribed Financial Statement itself will be completed with the help of your Personal Insolvency Practitioner and will form the cornerstone of any application made.

The purpose of the Prescribed Financial Statement is to give an accurate written account of all assets, debts, income and expenditure so that a true reflection of the financial position of the person seeking relief is outlined. This will enable the Personal Insolvency Practitioner to then recommend different options for dealing with the outstanding debts and to recommend which arrangement if any under the 2012 act would be suitable.

The Prescribed Financial Statement will also be useful to confirm that the person seeking relief would be eligible to do so under the provisions of the new legislation and the statement would form the basis of calculating what repayments will be made to creditors and what portion of monies can be kept so that they can enjoy a reasonable standard of living.

The statement will contain a Statutory Declaration which must be signed by the applicant and witnessed by a Notary public, Commissioner for Oaths, Peace Commissioner or a practicing Solicitor. Full and honest disclosure will be key -it will be an offence to sign this declaration without full disclosure or if any of the details in the Prescribed Financial Statement are incorrect or misleading.

A considerable amount of work can be involved in preparing the prescribed financial statements and vouchers or receipts for all of the details provided will be required. For this reason it is advisable that all those considering availing of any personal insolvency provisions would seek to gather the information necessary to prepare the statement without delay.

FOR MORE INFORMATION

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