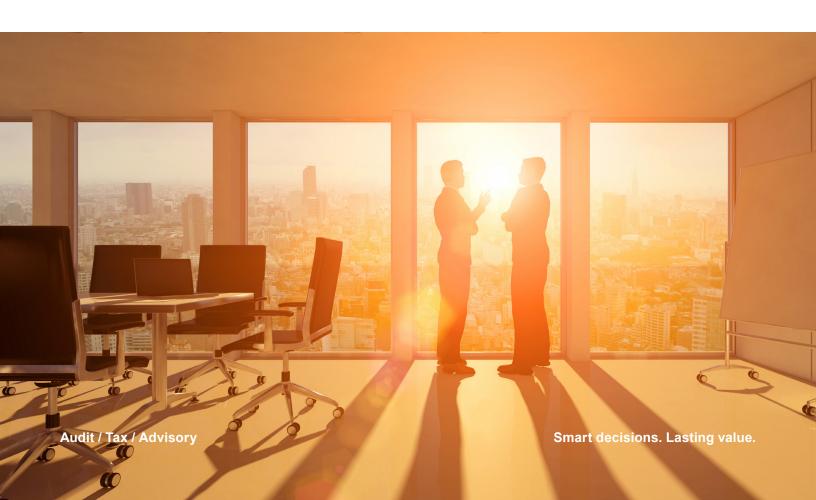


November 2017

New Insolvency Law in Singapore Slated for 2018



A new law aimed at enhancing Singapore's personal bankruptcy and corporate insolvency regimes, is expected to be introduced in the second-half of 2018. Speaking at the Singapore Insolvency Conference 2017 on 24 August 2017, Home Affairs and Law Minister, Mr. K. Shanmugam said that the new law will further enhance Singapore's standing as a leading hub for cross-border debt restructuring.

Currently, the law relating to personal and corporate restructuring and insolvency reside in separate statutes; the Bankruptcy Act and Companies Act respectively.

The introduction of the omnibus Insolvency Bill in 2018 will combine these laws into a single legislation. Mr. Shanmugam said that this will ensure "consistency and clarity".

It is expected that a framework for regulating insolvency professionals will be introduced with the enactment of the new law, based on the pending recommendations of the Insolvency Law Reform Committee (ILRC). The ILRC was formed in 2010 to conduct a comprehensive review of Singapore's corporate restructuring regime.

One key recommendation of the ILRC, and implemented in March 2017 with the passing of the Companies (Amendment) Act, was the adoption of the United Nations Commission on International Trade Law, or UNCITRAL Model Law on Cross-Border Insolvency (Model Law).

One of the stated purposes of the Model Law is to encourage cooperation and co-ordination between jurisdictions in dealing with cross-border insolvency proceedings.

Currently, besides Singapore, legislation based on the Model Law has been enacted in 42 countries including the United Kingdom, Australia, United States, Japan and South Korea.

In this regard, the adoption of the Model Law provides an established framework to facilitate cross-border recovery and restructurings involving assets or businesses in Singapore.

In addition, several features of Chapter 11 of the United States Bankruptcy Code, especially in the area of rescue financing, have been incorporated into Singapore's corporate restructuring framework with the recent amendments to the Companies Act.

Thus, the proposed enactment of the new Insolvency Law in 2018, is a further step in creating a favourable and efficient restructuring environment that will reinforce Singapore's vision of becoming an International Centre for Debt Restructuring.



Contact Information

Sivakumar Saravan, Senior Partner siva.saravan@crowe.sg

Jaime Thong, Director jaime.thong@crowe.sg

First Trust Corporate Services Pte Ltd 9 Raffles Place #19-20 Republic Plaza Tower 2 Singapore 048619

Tel: +65 6221 0338

For more information, scan QR code below:



About Us

Crowe Horwath First Trust ("Crowe") is one of the leading accounting and advisory services firms in Singapore. Under its core purpose of being the firm of choice for growing businesses looking for high quality and personalized service, Crowe Horwath assists clients in achieving their goals through audit, tax, advisory and outsourcing services.

Crowe serves clients worldwide as an independent member of Crowe Global, one of the largest global accounting networks in the world. The network consists of more than 200 independent accounting and advisory services firms in more than 130 countries around the world.

Disclaimer

This document has been prepared by Crowe Horwath First Trust Corporate Services Pte Ltd and should be used as a general guide only. No reader should act solely upon any information contained in this document.

We recommend that professional advice be sought before taking action on specific issues and making significant business decisions. While every effort has been made to ensure the accuracy of the information contained herein, Crowe Horwath First Trust Corporate Services Pte Ltd shall not be responsible whatsoever for any errors or omissions in it.

The information presented in this document is as at 4 January 2018.

© 2018 First Trust Corporate Services Pte Ltd

www.crowe.sg