



## The Insolvency Service of Ireland (ISI) Welcomes Commencement of 1 year Bankruptcy

### 29 January 2016:

The ISI welcomes the commencement of provisions contained within the 2015 Bankruptcy (Amendment) Act by the Minister for Justice and Equality, Ms. Frances Fitzgerald, T.D. These changes come into effect on 29 January 2016.

The new provisions:

- Reduce the bankruptcy term from 3 years to 1 year.
- Reduce the income payment period from 5 years to 3 years.
- Provide for the re-vesting of family homes in debtors, where the Official Assignee has not issued proceedings for the sale of the property within 3 years of the adjudication of bankruptcy.
- Widen the powers of the Official Assignee to disclaim assets in bankruptcy estates which have no value to the estate, yet may involve a burden on the estate.
- Extend the discharge period in bankruptcies up to 8 years and up to 15 years; depending on the seriousness found by the Court of non co-operation with and/or non- disclosure of assets to, the Official Assignee.

The Act also envisages the abolition of a second Court sitting which persons declared bankrupt must subsequently attend. The ISI understands this change has not yet been commenced as it requires Court Rule amendments which should be finalised in the near future.

Lorcan O'Connor, Director of the ISI said *"building upon other recent improvements, including a higher Debt Relief Notice threshold, the removal of the so called 'bank veto' and the new debtor support package announced by the Minister for Justice and Equality last week, the reduction in the bankruptcy term means that there has never been a better time to take the first step to solvency and a fresh start. The first step is to visit [www.backontrack.ie](http://www.backontrack.ie)."* He encouraged debtors to seek the advice of a Personal Insolvency Practitioner (PIP) or Approved Intermediary (AI). PIPs and AIs are located around the country and contact details can be found on [www.backontrack.ie](http://www.backontrack.ie) or by calling the ISI's information line 076 106 4200.

Chris Lehane, of the ISI, who is the Official Assignee in Bankruptcy and administers bankruptcy estates said that people currently in bankruptcy seeking clarity on their exit date and related requirements regarding payment orders etc. should visit the Bankruptcy section of the ISI website to see an Information Notice in this regard available [here](#).

### ENDS

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ISI websites: [www.backontrack.ie](http://www.backontrack.ie) and [www.isi.gov.ie](http://www.isi.gov.ie)

Facebook: [www.facebook.com](http://www.facebook.com) – [BackonTrack](#)

## Notes for Editors

[Back on Track Information about Bankruptcy](#)  
[Back on Track After you are made Bankrupt](#)  
[Detailed Debtor's Guide to Bankruptcy](#)

### Transitory Provisions

The new Act contains transitory provisions in relation to current bankruptcies dealing with the early discharge of individuals, termination of existing Income payment orders and the re-vesting of family homes.

The following tables sets out the position in this regard:

#### 1. DISCHARGE DATES FOR UNDISCHARGED BANKRUPTS ON 29/1/16

| Group | Dates of adjudication          | Date of discharge                                    |
|-------|--------------------------------|--|
| A     | On or before<br>29/7/13        | Original 3 year discharge date                       |
| B     | Between<br>30/7/13 and 29/7/15 | 29 <sup>th</sup> July 2016                           |
| C     | On or after<br>30/7/15         | 1 <sup>st</sup> anniversary of date of adjudication. |

Discharge can be extended for up to 15 years in cases found by Court to have involved serious non co-operation with or non disclosure of assets to the Official Assignee.

#### 2. INCOME PAYMENT ORDERS – TERMINATION DATES

| Group | Expressed Date of Expiry Of Order | Terminate*  |
|-------|-----------------------------------|---|
| A     | On or Before<br>29/7/16           | Original expiry date  |
| B     | On or after<br>30/7/16            | No later than the 3 <sup>rd</sup> anniversary of the IPO <sup>1</sup> |

\*if not subsequently ordered to terminate earlier

An income payment order can be made for up to 5 years where the Court finds serious non disclosure and or non co-operation.

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<sup>1</sup> **CORRECTION:** An earlier version of table No. 2 above incorrectly stated that the Terminate date for Group B is 'No later than 3<sup>rd</sup> anniversary of adjudication', it should have read 'No later than the 3<sup>rd</sup> anniversary of the IPO<sup>1</sup>'.

### 3. RE-VESTING OF FAMILY HOMES IN BANKRUPTS

Subject to provisions of amended S 85(3) of Bankruptcy Act where the Official Assignee does not issue proceedings seeking the sale of the family home within 3 years of adjudication, the family home may re-vest in the bankrupt.

Re-vesting dates for Undischarged Bankrupts and discharged bankrupts where the family home continues to vest in the Official Assignee on 29/1/16, where the Official Assignee has not issued proceedings for the sale of the family home within 3 years<sup>2</sup> of adjudication are:

| Group | Dates of adjudication   | Date of re-vesting                          |
|-------|-------------------------|---|
| A     | On or before<br>29/7/13 | 29 <sup>th</sup> July 2016                  |
| B     | On or after<br>30/7/13  | 3 <sup>rd</sup> anniversary of adjudication |

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<sup>2</sup> There will be no automatic re-vesting where:

- a) the Official Assignee and the bankrupt agree in writing that the property does not re-vest.
- b) the Court orders that the property does not re-vest.
- c) the Court extends the 3 year period and re-vesting does not happen until the date the Court specifies.