

A BILL

i n t i t u l e d

An Act to amend the Insolvency Act 1967.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Insolvency (Amendment) Act 2020.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

Amendment of section 5

2. The Insolvency Act 1967 [*Act 360*], which is referred to as the “principal Act” in this Act, is amended in section 5—

(a) in paragraph (1)(a), by substituting for the words “fifty thousand ringgit” the words “one hundred thousand ringgit”; and

(b) by inserting after subsection (1) the following subsections:

“(1A) The Minister may, after consultation with the Minister of Finance, by order published in the *Gazette*, amend the amount of debt in paragraph (1)(a) for the presentation of a bankruptcy petition for a specific time period, if the Minister is satisfied that there are special circumstances and that it would not be contrary to public interest, to do so.

(1B) Where an order to amend the amount of debt for the presentation of a bankruptcy petition in subsection (1A) ceases or expires—

(a) any bankruptcy petition, presented by a petitioning creditor against a debtor which is still pending immediately before the order in subsection (1A) ceases or expires, shall be continued or concluded in accordance with the amount of debt as amended by the order in subsection (1A); and

(b) any bankruptcy petition, presented by a petitioning creditor against a debtor after the order in subsection (1A) ceases or expires, shall be continued or concluded in accordance with the amount of debt as specified in paragraph (1)(a).

(1C) The order made under subsection (1A) shall be laid before the Dewan Rakyat as soon as practicable after its publication in the *Gazette*.”.

Saving

3. Any bankruptcy petition presented by the petitioning creditor against a debtor before the coming into operation of this Act with the amount of debt owing by the debtor to the creditor that fulfils the requirement in paragraph 5(1)(a) of the principal Act, which is still pending immediately before the coming into operation of this Act shall be continued or concluded under the principal Act as if the principal Act had not been amended by this Act.

EXPLANATORY STATEMENT

This Bill seeks to amend the Insolvency Act 1967 (“Act 360”).

2. *Clause 1* contains the short title of the proposed Act and seeks to empower the Minister to appoint the commencement date of the proposed Act.
3. *Clause 2* seeks to amend section 5 of Act 360.

Clause 2(a) seeks to amend paragraph 5(1)(a) of Act 360 to increase the minimum debt threshold, for the presentation of a bankruptcy petition, from fifty thousand ringgit to one hundred thousand ringgit.

The proposed subsection (1A) seeks to empower the Minister, after consultation with the Minister of Finance, by way of an order published in the *Gazette*, to amend the minimum debt threshold prescribed in paragraph 5(1)(a) of Act 360 for a specific time period, if the Minister is satisfied that there are special circumstances and that it would not be contrary to public interest, to do so.

The proposed subsection (1B) seeks to provide for the status of the bankruptcy petition presented by the petitioning creditor against the debtor after the order made under the proposed subsection (1A) ceases or expires.

The proposed subsection (1C) seeks to provide that the order made under the proposed subsection 5(1A) shall be laid before the Dewan Rakyat as soon as practicable after its publication in the *Gazette*.

4. *Clause 3* seeks to provide for saving provision.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure.

[PN(U2)3228]