

## Press release

### **THE INSOLVENCY AND PUBLIC TRUSTEE'S OFFICE WILL ROLL OUT NEW PROGRAMMES TO ASSIST BANKRUPTS AND DEBTORS ON THE DEBT REPAYMENT SCHEME**

The Insolvency and Public Trustee's Office (IPTO), a department under the Ministry of Law, will roll out two new programmes, as part of its efforts to encourage and facilitate the financial rehabilitation of bankrupts and debtors on the Debt Repayment Scheme (DRS)<sup>1</sup>.

2 The two programmes are the:

- a. Financial Counselling Programme; and
- b. Job Referral and Skills Upgrading Programme (in collaboration with the Singapore Workforce Development Agency / WDA).

3 The Financial Counselling Programme aims to equip bankrupts and DRS debtors with essential money management skills, such as personal expenditure budgeting. Complementing the Financial Counselling Programme is the Job Referral and Skills Upgrading Programme. This programme which IPTO developed in collaboration with WDA, provides employment assistance to bankrupts and DRS debtors through job referrals and career advisory services, as well as training assistance in skills upgrading.

4 Senior Parliamentary Secretary (Law), Ms Sim Ann, said, "We hope that the participants for the new Financial Counselling, and Job Referral and Skills Upgrading Programmes offered by IPTO can acquire essential money management skills, improve their employment prospects and opportunities, and increase their earning abilities. This will help them work towards more expeditious discharge from bankruptcy or successful completion of the DRS. I would encourage bankrupts and DRS debtors to sign up for these programmes."

#### **Financial Counselling Programme**

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<sup>1</sup> More information about the Debt Repayment Scheme is in the accompanying Annex.

5 The Financial Counselling Programme educates bankrupts and DRS debtors on proper money management, helps them to achieve stable personal finances, encourages financial discipline and promotes financial responsibility. It is a voluntary programme open to all bankrupts and DRS debtors.

### Background, Objectives and Timeline

6 The programme has two components:

- a. Financial Education Workshop
- b. Individual financial counselling sessions, for which interested participants of the workshop can sign up.

7 The workshop, which IPTO worked with an external financial education service provider to develop, is the key component of the programme. The areas that the workshop will cover include the common causes of insolvency; the importance of savings; and the management of income and expenditure.

8 To ensure that the workshop benefits as many bankrupts and DRS debtors as possible, IPTO will be subsidising a large part of the workshop fees. Interested bankrupts or DRS debtors need only pay \$13 per person to attend the workshop.

9 The inaugural workshop will be conducted on 22 October 2011. Subsequent workshops will be held once every two months, from November 2011. Each workshop will reach out to about 30 participants.

### Benefits of Programme

10 The financial literacy skills which participants gain from the workshop will place them in a better position to meet their payment obligations towards their creditors, as well as work towards an expeditious discharge from bankruptcy, or a successful completion of the DRS.

11 For more information and enquiries on the programme, please email to [ipto\\_iid\\_financial@ipto.gov.sg](mailto:ipto_iid_financial@ipto.gov.sg)

### **Job Referral and Skills Upgrading Programme**

12 The Job Referral and Skills Upgrading Programme assists bankrupts and DRS debtors to upgrade their job skills to enhance their employability and find gainful employment. It is a voluntary programme open to bankrupts and DRS debtors.

### Background, Objectives and Timeline

13 The programme provides:

- a. Employment assistance to bankrupts and DRS debtors through job referrals and career advisory services
- b. Training assistance to bankrupts and DRS debtors in skills upgrading.

14 The programme enables bankrupts and DRS debtors to register with WDA for training and employment assistance. These individuals can also sign up for skills upgrading programmes subsidised by WDA.

15 IPTO and WDA will conduct a briefing to all interested bankrupts and DRS debtors on 29 October 2011. Those keen on signing up for job referrals and / or suitable skills upgrading programmes will be referred to WDA. The joint briefing, targeted to be conducted on a monthly basis, aims to reach out to about 40 people at each session.

### Benefits of Programme

16 The programme broadens the employment assistance options available to bankrupts and DRS debtors. These individuals can also look forward to improving their skills through upgrading programmes. For bankrupts, the programme will help them improve their income earning capacity, and consequently increase their ability to repay their debts, in order to get an earlier discharge from bankruptcy. For DRS debtors, the programme improves their employability, which gives them a better chance of completing their DRS repayment plans earlier.

17 For more information and enquiries on the programme, please email to [ipto\\_iid\\_wda@ipto.gov.sg](mailto:ipto_iid_wda@ipto.gov.sg)

**INSOLVENCY AND PUBLIC TRUSTEE'S OFFICE  
MINISTRY OF LAW  
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**THE DEBT REPAYMENT SCHEME**

The Debt Repayment Scheme (DRS) seeks to assist debtors who are employed and in receipt of a regular income, and who have debts of \$100,000 or less, by devising a debt repayment plan to pay their debts over a fixed period of time.

Upon the making of a bankruptcy application to the Court against a debtor, the Court will adjourn the hearing of the application and refer the debtor to IPTO for the Official Assignee (OA) to consider his suitability for DRS if the debts revealed in the bankruptcy application are less than \$100,000. In order to be suitable for DRS, the debtor must be employed, and must be earning a regular income. He must not be a sole-proprietor or partner of a business, and must not have previously been an undischarged bankrupt or on the DRS or have entered into a voluntary arrangement with his creditors in the five years prior to the date on which he is being considered for DRS.

Once a debtor is found suitable for DRS, IPTO will devise and approve a debt repayment plan, the Court and the creditors will be informed, and the pending bankruptcy application against the debtor is withdrawn. Thereafter, the debtor must start making payments toward the debts owed according to the terms of the plan.

If a debtor is found to be unsuitable for DRS, he will be informed. The Court and the applicant-creditor will also be informed of the debtor's unsuitability and the hearing of the adjourned bankruptcy application will be resumed, and a bankruptcy order may be made against the debtor.