



**An Bille um Dhócmhainneacht Phearsanta
(Leasú), 2015**
Personal Insolvency (Amendment) Bill 2015

Meabhrán Mínitheach
Explanatory Memorandum



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EXPLANATORY MEMORANDUM

Purpose of Bill

Recognising the need to have an effective means of adequately and permanently dealing with the ongoing crisis of personal debt the Oireachtas enacted the provisions of the Personal Insolvency Act 2012. A core aspect of the introduction of the Personal Insolvency Act 2012 was the reduction in the automatic period for discharge from bankruptcy from 12 years to 3 years. It was envisaged that this would promote settlements between debtors and creditors through Personal Insolvency and Debt Settlement Arrangements.

This has not occurred to the extent necessary or envisaged.

The purpose of this Bill is to effect a further reduction in the automatic discharge period from Bankruptcy to one year and to reduce income payment Orders to a maximum of 3 years.

Further, there is a provision that in circumstances where the principal private residence of the bankruptcy has not been sold within 3 years of the adjudication in bankruptcy ownership of the said principal private residence re-vests in the bankrupt.

Provisions of Bill

Section 1 of the Bill makes 2 amendments to the Bankruptcy Act 1988, as amended by the Personal Insolvency Act 2012.

First section 85 (“Automatic discharge from bankruptcy”) is amended by the substitution of new subsections (1) and (2). The new subsections provide that a bankruptcy shall stand discharged on the 1st anniversary of the date of the adjudication order in respect of that bankruptcy, unless it has been previously discharged or annulled. Where a bankruptcy is subsisting on the coming into operation of this Act, an order of adjudication made more than 1 year prior to that day shall stand discharged 3 months after that day unless the bankruptcy previously discharged or annulled.

Second, section 85 D (“Bankruptcy payment orders”) is amended by substituting a new subsection (3). This provides that a bankruptcy payment order shall have effect for no longer than 3 years from the date of its coming into operation and shall cease to have effect on the 4th anniversary of the date on which the bankrupt was adjudicated bankrupt.

Third, section 85 (“automatic discharge from bankruptcy”) is further amended by the insertion of a new section 85(3)(a) which provides that the principal family home of the bankrupt, or that part of it vested in the Official Assignee by reason of the bankruptcy, if not sold within 3 years of the adjudication in bankruptcy, re-vests in the bankrupt.

Section 2 provides for the short title of the Act.

Willie Penrose TD,
Márta, 2015.

