

OFFICIAL ASSIGNEE
PRACTICE CIRCULAR NO. 1 OF 2009

1. INTRODUCTION

This Practice Circular seeks to notify solicitors acting in the sale of a HDB flat which does not vest in the Official Assignee¹ that the Official Assignee's consent is not required for such sale. It also sets out the procedures involved if a bankrupt wishes to use his share of the net proceeds from the sale of such a flat to make a debt settlement proposal to his creditors who have proved their debts in bankruptcy.

2. CONSENT OF THE OFFICIAL ASSIGNEE TO THE PROPOSED SALE OF A BANKRUPT'S HDB FLAT

The Official Assignee's consent is not required if a bankrupt wishes to sell his HDB flat which does not vest in the Official Assignee. Solicitors acting in the sale of such HDB flats may liaise directly with HDB.

3. USE OF NET SALE PROCEEDS FOR DEBT SETTLEMENT PROPOSAL

(i) If a bankrupt does not wish to use his share of the net sale proceeds to make a debt settlement proposal to his creditors, he is entitled to receive his share of these proceeds from the sale of the HDB flat.

(ii) If a bankrupt wishes to use all or part of his share of the net sale proceeds from the sale of the HDB flat to pay his creditors, the Official Assignee may assist the bankrupt to offer a debt settlement proposal to the creditors who have proved their debts in bankruptcy.

(iii) Solicitors acting for bankrupts who have agreed to use all or part of their share of the net proceeds from the sale of their HDB flats to offer a debt settlement proposal to their

¹ Please refer to section 51 of the Housing & Development Act

creditors should advise the bankrupts to approach their case officers for assistance within two weeks from the date of the bankrupt's first appointment with HDB.

(iv) On completion of the sale of the HDB flat, solicitors should note that such amount to be used for the debt settlement proposal would be forwarded directly to the Official Assignee and the balance sum, if any will be forwarded to the bankrupt or his solicitors.

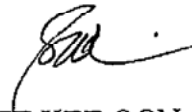
4. EFFECTIVE DATE FOR COMPLIANCE

This Practice Circular shall come into operation with immediate effect.

5. ENQUIRY

Please direct any queries regarding the provisions of this Practice Circular in writing to ipto_enquiry@ipto.gov.sg.

Dated this *16th* day of January 2009



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