TSG TSG NEWSLETTER

TOMIĆ SINDJELIĆ GROZA

Advokatska kancelarija TSG TOMIĆ SINDJELIĆ GROZA informiše o aktuelnostima u radu kancelarije i zakonodavnom reljefu RS | Die Rechtsanwälte TSG TOMIC SINDJELIC GROZA informieren über aktuelle Themen der Kanzlei und des Rechtsrahmen der RS | The aim of the TSG Newsletter is to help clients and associates understand trends and legal developments in various areas of the law in the RS | Юридическое бюро ТСГ ТОМИЧ СИНДЖЕЛИЧ ГРОЗА информирует о самых актуельных событиях, о работе конторы и законодательном релефе РС | Glavni urednik|Chefredakteur|Editor-in-Chief|Главный редактор: Ljubica Tomić | Prevodi | Übersetzungen | Translations | Переводы: Mirjana Zdravković, Vojislava Katić, Viktorija Topalović | Lektor | Lektor | Proofreader | Лектор: Ivana Radović, Magda Braun

Br. 102/18 – Januar|January|Январь|Januar 2018

Carice Milice 3, Beograd, Srbija, TEL/FAX +381 (0)11 3285.227, +381 (0)11 3285.208, +381 (0)11 3285.153, office@tsg.rs, www.tsg.rs

New Amendments to the Bankruptcy Law

Rajko Krejović, Attorney-at-Law

Following the amendments to the Bankruptcy Law of August 2014, the new amendments of the Bankruptcy Law, applicable as of 25 December 2017, introduce considerable changes to the bankruptcy regulations in Serbia.

An important change related to "undertaking actions of special importance" obliges the bankruptcy administrator, in case of lease of property encumbered by secured/pledge interest, to seek not only the consent of the creditors' board but also the consent of the secured/pledge creditor who renders it probable that his secured claim may be collected against the property on which secured interest is created.

Another change, also in favour of the secured creditor, affects the structure of the creditors' board, because this body must now comprise a representative of secured creditors, to be elected by the secured creditors at the initial creditors' hearing. Secured creditors are thus given the opportunity to take an active part in the decision-making of the creditors' board, which is important due to the fact that the interests of the bankruptcy creditors often clash with the interests of the secured creditors.

With regard to adopting a decision on bankruptcy liquidation at the initial creditors' hearing, the percentage of the creditors' votes required for the liquidation decision has now been reduced to 50% of the total value of all creditors' claims, as compared to previous 70%.

The Law provides in more details about the authorised experts – appraisers, who must be licensed to perform relevant appraisals in accordance with a special law, and in the absence of such law, this can be done by an appropriate court expert

Some provisions governing prohibition of enforcement and collection against the bankruptcy creditor's assets have been completely restyled and somewhat altered. Particularly important is the change in the legal effects of initiating bankruptcy proceedings over the enforcement debtor, which now lead to the stay of the enforcement proceedings rather than to their suspension.

The procedure of converting the bankruptcy debtor's assets into cash has underwent certain changes aimed at improving efficiency as well as achieving protection for the creditors having any security interest and all the parties involved in the proceedings in general.

There have been important changes concerning the rights of the secured/pledge creditor in case of sale of the bankruptcy debtor as a legal entity or sale of all or part of the property of

TSG TOMIĆ SINDJELIĆ GROZA

TSG NEWSLETTER

Advokatska kancelarija TSG TOMIĆ SINDJELIĆ GROZA informiše o aktuelnostima u radu kancelarije i zakonodavnom reljefu RS | Die Rechtsanwälte TSG TOMIC SINDJELIC GROZA informieren über aktuelle Themen der Kanzlei und des Rechtsrahmen der RS | The aim of the TSG Newsletter is to help clients and associates understand trends and legal developments in various areas of the law in the RS | Юридическое бюро ТСГ ТОМИЧ СИНДЖЕЛИЧ ГРОЗА информирует о самых актуельных событиях, о работе конторы и законодательном релефе РС | Glavni urednik|Chefredakteur|Editor-in-Chief|Главный редактор: Ljubica Tomić | Prevodi | Übersetzungen | Translations | Переводы: Mirjana Zdravković, Vojislava Katić, Viktorija Topalović | Lektor | Lektor | Proofreader | Лектор: Ivana Radović, Magda Braun

Br. 102/18 – Januar|January|Январь|Januar 2018

Carice Milice 3, Beograd, Srbija, TEL/FAX +381 (0)11 3285.227, +381 (0)11 3285.208, +381 (0)11 3285.153, office@tsg.rs, www.tsg.rs

the bankruptcy debtor's estate, since those secured/pledge creditors who had secured/pledge interest in any part of the estate being sold, have the priority in distribution of those assets that were created through sale in accordance with their respective priority rankings, and commensurate with the share of the appraised value of the property encumbered by the secured/pledge interest in the total appraised value of the estate being sold.

Furthermore, under certain conditions, the sale of the bankruptcy debtor as a legal entity or sale of all or part of the property of the bankruptcy debtor's estate, when the offered purchase price is below 50 per cent of the appraised value, will be subject to the bankruptcy administrator's obtaining consent of the creditors' board and the secured/pledge creditor.

Finally, the rules governing pre-packaged reorganization plans have been simplified in order to avoid issues frequently encountered in interpretation of these provisions.

For any further or detailed information, please contact us at: rajko.krejovic@tsg.rs or office@tsg.rs.