

IMPROVED POSITION OF CREDITORS IN BANKRUPTCY PROCEDURE IN SERBIA

Amendments to the Law on Bankruptcy bring several novelties reinforcing the procedural position of creditors in bankruptcy proceedings. The amendments apply from the 1st of January 2019.

The most significant amendment allows (but does not enjoin) the bankruptcy creditor initiating the bankruptcy procedure to propose a bankruptcy administrator in the bankruptcy proceedings. The proposal is reviewed by the bankruptcy judge, and the selection of the bankruptcy administrator is approved by the assembly of creditors at the first session, by majority of 50% of total receivables. If the Assembly of Creditors does not approve the selected bankruptcy administrator, the Assembly of Creditors is required to move for his dismissal and to propose a new bankruptcy administrator.

The legal novelty in the provisions governing reorganisation deals with the circle of creditors who can submit the reorganisation plan, allowing any bankruptcy or secured creditor to submit the reorganisation plan, regardless of the amount of their unsecured or secured claim.

The law incorporates the Principle of publicity and information which entitles all creditors to request from the bankruptcy administrator any information related to: the bankruptcy debtor, the course of the bankruptcy proceedings and the property and management of the assets of the bankruptcy debtor.

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