

Time Line for FBiH and RS Laws on Bankruptcy Procedure

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
	-30			30	A debtor is legally obligated to file a proposal to open a bankruptcy proceeding within 30 days of becoming unable to pay its obligations. Debtors have the legal right to file as soon as the threat of future inability to meet payments becomes apparent. Early filing improves the chances for a successful reorganization.	4(2) 6(2)	Debtor's legal representatives are personally liable for any losses in value of debtor's assets caused by their failure to file for bankruptcy within 30 days inability to make payments, unless they can prove they acted with due care and diligence
I. Proposal to Open a Bankruptcy Proceeding is Filed							
1	1				A written proposal to open a bankruptcy proceeding is filed by the debtor or a creditor.	4(1) 6	To be accepted, the proposal must establish that the debtor's inability to meet its payments is "probable." A creditor must also establish that its claim is "probable."
2	1	16		15	The Court announces its decision on whether the proposal to open a bankruptcy proceeding is acceptable within 15 days.	4(3)	
3			31	15	Petitioners who submit unacceptable proposals are given an additional 15 days to submit an acceptable proposal.	4(3)	If the petitioner fails to submit acceptable documentation within the time allowed, the Court will reject the proposal and the petitioner must pay court costs.
4	1	31	46	15	Once an acceptable proposal is presented, the Court decides the amount of the deposit required to fund preliminary proceedings within 15 days after receipt of an acceptable proposal.	4(4)	
5	1	46	61	15	Petitioning creditor pays deposit or petitioning debtor establishes that it has resources to fund preliminary proceeding.	13	Proposal will be rejected unless, within 15 days after court establishes amount of deposit, petitioning creditor pays deposit or petitioning debtor establishes that it has resources to fund preliminary proceeding.

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
II. Preliminary Bankruptcy Proceeding is Opened							
6	Note 1: In the following cases, the Court may open a Bankruptcy Proceeding directly, without conducting the preliminary proceeding, saving as much as 100 days. (Skip to Item 11)				<ul style="list-style-type: none"> If the proposal for opening of the bankruptcy proceeding has been submitted by a liquidator. If the petition to open the proceeding is submitted by a creditor who holds a final execution order, and that execution order has remained unsatisfied for 60 days 	44	The law deems filing by the parties identified in Article 44 as sufficient to establish the debtor's inability to make its payments. However, these parties are not excused from establishing that the debtor's assets are sufficient to fund the Bankruptcy Proceeding. See, Article 132(1). Supplying the Court with adequate documentation to establish the sufficiency of estate assets as part of the proposal to open the Bankruptcy Proceeding will enable the Court to immediately open the Bankruptcy Proceeding.
						132(1)	
						44(1)	
						44(2)	
7	1	51	66	No Time Limit Set (Assume 5 days after #5)	Once Court accepts proposal as adequate and deposit is established, a Preliminary Bankruptcy Proceeding is opened to determine "without any delay" whether cause exists to open a Bankruptcy Proceeding.	9(1)	The debtor is obliged to cooperate fully with the inquiry.
						14(1)	
						14(2)	
					The Court may, but is not required, to implement a number of security measures to protect the bankruptcy estate, including appointment of an interim trustee. If the business is still operating, the Court <i>must</i> appoint an interim trustee.	15	The interim trustee serves until a bankruptcy proceeding is opened. If the preliminary proceeding is terminated by the Court without opening a bankruptcy proceeding, the interim trustee is not relieved until he has satisfied costs and liabilities for which he is responsible.
						15(1)(3)	
	15(2)						
	21						
8	31	81	96	30	Interim trustee reports, within 30 days of his appointment, on whether cause exists to open a bankruptcy proceeding, and whether the debtor's assets are sufficient to cover the costs. Trustee is also obligated to recommend temporary suspension of business if continuing would harm the estate.	16(2)	
						16(3)	
						16(4)	
9	36	86	101	No Time Limit Set (Assume 5 days after #7)	Court conducts a hearing on conditions for opening the proceeding "after having received the report from the interim trustee." Parties are the debtor, petitioner, trustee, and any experts.	43(1)	There is no specific timing requirement for this hearing. Plus, there may not be an interim trustee or expert.
10	39	89	104	3	Court issues decision on whether to open the bankruptcy proceeding or reject the proposal within 3 days of the hearing in Item 9.	43(2)	

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
III. Bankruptcy Proceeding is opened							
11	1	Note 2			From this section forward, the "Fast Column" of the "Case Day" section will contain two entries. The upper entry assumes that the Court opened the Bankruptcy Proceeding directly, without going through the Preliminary Proceeding. See Note 1.		
	39	89	104	3	The Court's decision to open the Bankruptcy Proceeding must be made within 3 days of the hearing on opening the proceeding (Item 9), and must contain the following provisions:	43(2)	
					1. Appointment of the trustee	45 88-97	Trustee's safeguarding obligations contained in 88 to 97.
					2. Amount of insurance to be obtained by trustee.	26(2)	The Court may waive the requirement that the Trustee provide insurance.
					3. Summon creditors and persons claiming interests in property owned or used by the debtor to register their claims with the bankruptcy court within 30 days.	46(1)	Bankruptcy Creditors of the lower payment ranks do not register their claims until the Court specifically directs them to do so. Article 110 (7).
						46(2)	
						110	
					4. Summon persons with liabilities to the debtor to render performance to the Trustee "without delay."	46(3)	No time limit is set.
					5. Date set for convening of first Creditors Assembly ("Examination Hearing").	28	This is the "Examination Hearing." It must be within 8 to 30 days after the claims submission date (38 to 60 days after decision opening the bankruptcy. At this initial hearing, creditors may elect a different trustee. At this, or a subsequent meeting, the Assembly may elect a Board of Creditors consisting of an odd number of members, not to exceed 7, with representatives from priority claims, small claims, employee claims, and secured claims.
						47(1)(2)	
				6. Date set for convening of second Creditors Assembly ("Reporting Hearing").	47(1)(1)	This is the "Reporting Hearing". It must be held within 15 days of the "Examination Hearing" and may be held simultaneously with the "Examination Hearing."	
					47(2)		

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
					Court announces opening on court notice board, provides for publication in the Official Gazette, mails to debtor and creditors, hand delivers to proposer, and send to Public Prosecutor's office	48	
12	1 99	149	164	60	Trustee terminates labor contracts of employees not necessary in Bankruptcy Proceeding.	74	The Trustee must provide written notice to employees of debtor whose services are not needed during the bankruptcy proceeding within 60 days of opening of the proceeding. This should be accomplished as soon as possible to preserve estate assets. (It can be accomplished very early in a well-prepared, "pre-packaged" bankruptcy proceeding that skips the Preliminary Proceeding as described in Note 1.)
13	31 69	119	134	30	Deadline for Creditors to submit claims	46 110(1)	Information to be submitted contained in Article 110. Secured creditors must submit back up documentation during this same time period.
14	39 77	127	142	8	Court deposits Table of Creditors' Claims in Bankruptcy Court Registry within 8 days after deadline for creditors to submit claims	110 111	The Court's Table of Creditors' Claims must contain the creditor information required by Article 110
15	1	134	149	45	Trustee files report within 45 days after appointment	25(2) 25(2) 93 95(1)	The Trustee's Report, which can be filed as part of a well-prepared, "pre-packaged" petition to open a Bankruptcy Proceeding, must include: 1. All known creditors of the debtor 2. Detailed list of all property of the estate with book value and estimate of realizable value 3. A "well-ordered summary" of the debtor's assets and liabilities as of the opening of the Bankruptcy Proceeding, including identification of assets available to satisfy creditors.

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
	84						At the reporting hearing, the Trustee must report on the economic situation of the bankruptcy debtor and its causes, whether there is any likelihood of saving in whole or in part the enterprise of the bankruptcy debtor, what possibilities exist for a restructuring proposal and what the consequences would be for the satisfaction of the creditors. Ideally, this information should also be contained in the written report filed by the Trustee.
16	39	149	164	8 to 30	Claims Examination Hearing to resolve disputed claims held within 8 to 30 days after deadline for creditors to file claims (Item 13).	47(1.2)	The hearing is attended by the judge, the trustee, the creditors who have filed claims, plus others who may have relevant knowledge. The trustee must declare whether he accepts the claims.
	69					112	
						114	
17	39	164	179	15	Reporting Hearing for creditors to hear Trustee's report and decide on subsequent course of the bankruptcy proceeding must be held within 15 days of Claims Examination Hearing.	47(1.1)	The Trustee reports on prospects for creditors, including liquidation and reorganization. This hearing must not be held before, but may be held at the same time as the Claims Examination Hearing. The Creditors Assembly decides at this hearing whether to close or continue the business, whether to reorganize or liquidate, and, if the decision is to liquidate, how to realize on the debtor's assets
	69					98(1)	
						99	
18	69	179	194	30	Deadline to file lawsuit to resolve a contested claim is 30 days after Claims Examination Hearing.	115	Unless the party contesting the Courts' decision on a disputed claim files a lawsuit within 30 days of the hearing at which his claim is investigated, he is deemed to have accepted the result.
	99						
19	129	239	254	3 months	Final deadline for creditors to submit claims	113	The deadline for filing claims is 3 months after the original Claims Examination Hearing (Item 16), so long as this is before the invitation to the "Final Hearing" (apparently the Main Distribution Hearing) is issued. (Item 27). Late filing creditors are required to advance the costs of the hearing, or their claims are disregarded. The 30 day deadline for filing a lawsuit to contest the result of the examination (Item 17) also applies to these claims.
	159					115	

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
IV Realizing On the Debtor's Assets							
20	Note 3:				No time limits are set for completing the process of realizing on estate assets, or distributing the proceeds to creditors. The time required to complete these steps will vary dramatically from case to case depending on the nature of the assets and the circumstances of filing. Accordingly, the Case Day column projections are useful only to show the minimum times in which these tasks can be completed. The upper half of the Fast lane tracks minimum times assuming direct opening of the Bankruptcy Proceeding. The bottom half tracks minimum times with the Preliminary Proceeding included.	99(2)	Creditors may impose time limits and otherwise dictate the manner and conditions for the Trustee to realize on estate assets.
21	39	-	-	ASAP after Report Hearing (Item 17)	Trustee begins the process of realizing on estate assets consistent with decisions of creditors taken at the Reporting Hearing.	101	"Immediately" after the Reporting Hearing, the Trustee is to begin selling assets to satisfy creditor claims. No time limit is set for completion of this process. In a well-prepared, "pre-packaged" bankruptcy proceeding, the debtor's business could be sold to an already identified buyer at or immediately after the Reporting Hearing.
	69					102	
						103	
22	40	-	-	No Time Limit Set	The Trustee files a proposed distribution schedule with the Court and provides public notice of an intended distribution.	117	The Trustee may, with the consent of the Board of Creditors or Creditor Assembly, make intermediate distributions to creditors, beginning after the Claims Examination Hearing (Item 16). A distribution schedule must be filed with the court in advance of each distribution showing the claims due to receive payments. The Trustee must also give public notice of the proposed distribution, specifying total claims and the amount available for distribution. Court certification of the of the distribution scheduled is required before the Main Distribution.
	70					118	

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
1. Intermediate Distributions							
23	55	-	-	15 days after public notice (Item 22)	Holders of contested claim must provide trustee with proof that litigation to resolve issue is pending	119	Within 15 days after the filing of the distribution schedule, the party contesting a claim must provide trustee with evidence that a suit has been commenced. If satisfactory, the trustee will reserve for this claim out of any distribution until the litigation is resolved.
	85						
24	55	-	-	15 days after public notice (Item 22)	Creditors with right to separate satisfaction must provide trustee with proof of their entitlement to share in distribution	120	Secured creditors are not entitled to share in distributions unless they either waive their security rights or the separate satisfaction proves insufficient to satisfy their claims in full.
	85						
25	58	-	-	3 days after notice period expires (Item 23)	The trustee must make changes to distribution schedule within 3 days after close of notice period for creditors to demonstrate their entitlement to share in distribution.	121	Creditors who provide the Trustee with the evidence required by Articles 119 and 120 are entitled to share in the proposed distribution. Note that creditors who failed to provide such evidence in a prior distribution, are entitled to shares in a subsequent distribution large enough to catch them up with other creditors of the same payment rank once they have provided adequate evidence of their entitlement.
	88					122	
26	66	-	-	8 days after notice period expires (Item 23)	Creditors must file objections to the revised Distribution Schedule	123	Creditors must file their objections to the revised Distribution Schedule within 8 days after the notice period required by Article 119, which will be five days after the Trustee actually submits it as required by Article 122. The Court's decision resolving the objection may be appealed, which will delay distribution until the appeal is decided.
	96						
2. Main Distribution							
27	55	-	-	15 to 30 days after notice (Item 22)	Hearing on Main Distribution	124	A specific hearing is scheduled for the main distribution, unlike for interim distributions. Creditors can raise their objections directly at the hearing, and can modify the proposal, which becomes final after certification by the Bankruptcy Judge. The final proposal can be appealed, which will delay the distribution until the appeal is decided. The Trustee must render his final account at the hearing.
	85						

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
28	60			No Time Limit Set (Assume 5 days)	Trustee carries out main distribution	124(2)	After the Court certifies the distribution proposal, Trustee carries it out. The Trustee must provide the Court with proof of the payments to creditors, and deposit any remaining funds with the Court.
	90	-	-			124(6)	
						125	
29	65			ASAP after Item 28 (Assume 5 days)	Bankruptcy Proceeding is closed.	126	The court orders the Bankruptcy Proceeding closed "as soon as" the main distribution has been carried out, publishing the order and the reasons for closing the case in the Official Gazette.
	95	-	-				
V Reorganization of the Debtor							
30				A plan of reorganization may be submitted by either the Debtor or Trustee:		143(1)	Debtor may submit plan with a proposal to open a Bankruptcy Proceeding. After the Bankruptcy Proceeding opens, both Debtor and Trustee may submit plan up until the Final hearing.
	1	-	-	Before Final Hearing	A. Debtor submits plan with proposal to open proceeding.	143(1)	
	99	194	209	30 to 60 after Report Hearing	B. Trustee submits plan at direction of Creditors Assembly.	98	The Trustee reports on prospects for creditors, including liquidation and reorganization, at the Reporting Hearing. If the creditors instruct the Trustee to prepare a reorganization plan, he must submit it to the Court within 30 days. The Court can extend the deadline for an additional 30 days in "appropriate circumstances."
					143(2)		
31	1			No Time Limit Set (Assume 5 days)	Court reviews plan for compliance with legal requirements.	156	The Judge must review the plan before passing it on for review by creditors. The Judge may reject it without further proceedings if it is fatally defective, obviously will not be approved, or obviously will fail. There is no deadline for this review. However, If the hearing on the Plan is to be merged with the Claims Examination Hearing, as authorized by Article 161, the Judge will have to notice the Plan hearing in or very soon after the decision to open the Bankruptcy Proceeding. See Items 11, 32, and 33.
	104	199	214				

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
32	1			No Time Limit Set	The Court sets a hearing on the plan to be held after 30-day period for stakeholders to review and comment on Plan.	160 161	There is no specific time frame for the this hearing. It cannot be held before the Claims Investigation Hearing, although the two hearings may be merged. At least 30 days notice must be given. In order to comply with this requirement in the case of merging the hearing on the plan with the Claims Investigation Hearing, the Court would have to notice the plan hearing in or very soon after its decision opening the Bankruptcy Proceeding. See Item 11. To save time, the Court should notice the hearing at the same time as it invites stakeholders to review the plan and submit their comments.
	199	214	104				
33	31			30	Stakeholders review plan and submit comments to Court.	157	If not rejected, the plan is sent out to Board of Creditors, debtor, and trustee for review. They must submit their opinions within 30 days. Note that if the Debtor submits a plan with its petition, this review process takes place before the creditor body is formed through the claims investigation process. However, this accelerated review process is specifically contemplated by Article 161, which allows the hearing on the plan to be consolidated with the Claims Investigation Hearing.
	229	244	134				
34	39			No Time Limit Set	The Court conducts a hearing on the Plan	160 161	The Court will hold hearing on the Plan. This cannot be held before the Claims Examination Hearing but MAY BE MERGED WITH THAT HEARING. In this case, discussion of the Plan substitutes for a Reporting Hearing, which can also be held at the same time as the Claims Examination Hearing. See Items 16 and 17.
	229	244	134				
35	39			Up to 15 days after plan hearing	Decision on the Plan	173 177	The court must decide on the plan "after" it has been agreed to by the debtor and accepted by the creditors. The Court's decision may be announced at the plan hearing and must be announced within 15 days thereafter.
	244	259	134				
36	39			No Time Limit Set (Assume 5 days)	Court announces decision to close Bankruptcy Proceeding on 15 days notice.	183	After approval of the Plan, the Court must issue a decision that the case will be closed, providing at least 15 days advance notice of the closing date. No specific time limit is provided either for the announcement of closure or actual closure.
	249	264	134				

No.	Case Day			Days to Do	Action	Article	Comments
	F	M	S				
37	54			At least 15 days notice	Bankruptcy Proceeding is closed.	184	The debtor's right to fully manage its own affairs is restored immediately upon closing of the Bankruptcy Proceeding, unless the Court orders supervision of the implementation of the plan.
	249	264	279			185	