

A silhouette of a sprinter in a starting crouch on a track, positioned to the left of the main text.

Basic characteristics of bankruptcy plan

- ◆ Most important change in reform of bankruptcy procedure in BH
- ◆ Based on German law, source of which is US bankruptcy law
- ◆ Trend of bankruptcy law reforms based on US law is present in almost entire Europe since beginning of 90-es, especially in its eastern part



Goal of Bankruptcy Plan

- ◆ Better settlement of bankruptcy creditors
- ◆ To give creditors right to depart from legal regulations on cashing in debtor's property and on distribution of cash
- ◆ To give creditors autonomy to arrange their relations with bankruptcy debtor in any way that is legally allowed
- ◆ Creditors can freely dispose of debtor's property, because *de facto*, it is considered their property



Legal nature of bankruptcy plan

- ◆ Elements of contract (between creditors)
- ◆ Elements of settlement (between creditors and debtor)
- ◆ Elements of court decision (after judge confirms plan)



Types of bankruptcy plans

- Liquidation plan (different time and method of cashing the property from the one envisaged by law)
- Plan of Transfer (part or entire property is transferred to existing or new legal entity)
- Plan of reorganization (which leads to reorganization of bankruptcy debtor)

Right to submit bankruptcy plan

✦ Bankruptcy debtor:

- Along with proposal to open bankruptcy or after its opening
- Knows best its status and can provide “ready” solutions
- In order that creditors accept it, debtor must practically satisfy their interests as well

◆ Trustee:

- On request of creditors (usually at reporting hearing)
- At his own initiative (questionable, but PROBABLY possible)

Cannot be submitted by (court rejects plan):

- Bankruptcy creditors
- interim bankruptcy trustee
- third parties