

# SATISFACTION OF BANKRUPTCY CREDITORS

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# Questions Related to Article 117

- What is the earliest time for partial distribution?
- It is after first investigation hearing. (In practice, I think that partial distributions will be conducted after the first special investigation hearing, because in that hearing we have the entire table established, and it is unlikely that property will be liquidated before that hearing.)
- What is the role of bankruptcy judge in partial distribution?
- Bankruptcy judge only decides on creditors' objections against the distribution list in partial distribution – article 123. par. 2 and 3.
- What does approval from the board or assembly contain, and can they discuss the distribution list?
- It contains only the decision on approval to perform the partial distribution and the provision what amount of collected bankruptcy estate should be paid to creditors.

# Questions Related to Article 118.

- What does **the list of claims** that are taken into consideration during distribution contain?
- a) in the list of claims, established bankruptcy claims from the table are indicated
- b) claims of preferred creditors that are taken into consideration.
  
- What comprises the **sum of claims** that the trustee must publicly announce?
- The sum of claims is comprised of:
  - a) recognized claims of all repayment ranks
  - b) disputed claims for which civil suits have been filed
  - c) claims of preferred creditors if:
    - - they waived the right to separate settlement
    - - are not separately satisfied
    - - liquidation of goods that served as security did not lead to satisfaction
  - personal claim.

# Questions Related to Article 118

- *What is the bankruptcy estate available for distribution?*
- It is the estate left remaining after debts are settled to creditors of bankruptcy estate from article 40, and the types of expenses projected till the end of bankruptcy proceeding.

# Article 119 – Taking Disputed Claims into Consideration

- What is the legal deadline for the court to determine whether an objection of bankruptcy debtor or bankruptcy creditor is founded?
- I think that this legal formulation is not clearly stipulated, and that the legislator thought that the court would determine whether the creditor initiated the litigation on time as instructed.
- Is the disputed amount retained if the trustee is instructed to initiate litigation?
- It does, because the trustee is aware of the dispute, because he/she initiated it.

# Questions Related to Article 122

- What is the deadline for trustee to modify the list required by article 119, 120, and 121?
- It is 18 day deadline after public announcement of the sum of claims and the bankruptcy estate available for distribution
- What is the deadline for creditors to file objections against the distribution list?
- Within 23 days after public announcement of the sum of claims and the amount of bankruptcy estate available for distribution.
- Does bankruptcy judge issue a decision ordering the trustee to perform partial distribution after the deadline for objection against the distribution list has expired, or after the final decision on appeals?
- Judge makes no decision in that regard, because article 117 prescribes that partial distributions will be carried out in trustees own discretion.

# Questions Related to Article 124

- Can creditors object in the hearing for main distribution?
- They can.
- What decisions can be made by bankruptcy judge in the main distribution hearing regarding the objections uttered?
- Article 124 has not provided that the judge should decide on objections, but I think that all provisions from article 123 should be applied.
- In what cases does the bankruptcy judge notify the creditors, whose claims have not been fully or partially satisfied, that they can pursue their claims in regular enforcement procedure, by returning the documentation and excerpt from the distribution list approved by the judge?
- This is the case when the bankruptcy proceedings have been opened against bankruptcy debtor an individual.

# Questions Related to Article 124

- Where is the decision on approval of main distribution announced?
- Mandatory announcement in “Official Gazette FBIiH“ and on the court notice board.
  
- Is objection allowed against the final calculation?
- Objection is allowed, and it should be adjudicated without right to appeal (article 11).
  
- Should the decision on approval of distribution proposal decide on property not liquidated?
- Yes, and it should be served on the creditors with note that they are becoming solidary creditors.

# Questions Related to Article 126

- Should order for deletion of bankruptcy debtor be put in the court order closing the bankruptcy proceedings?
- It should – prescribed by article 140. par. 3.

# Questions Related to Article 128

- What should be stipulated in in the decision ordering subsequent distribution?
- - That the **procedure continues**
- - Appoint bankruptcy trustee (the previous one if possible)
- - Order bankruptcy trustee to compose distribution list

# Questions Related to Article 130

- *What is the procedure in subsequent distribution?*
- If the amount that can be freely disposed, or the amount received from liquidation of subsequently found item of bankruptcy estate (liquidation is done by the trustee) distribution list will be composed, the same procedure will be carried out as in partial distribution. After the distribution trustee reports to bankruptcy judge, after which the judge issues the decision closing the proceedings.