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Proposed Project for Personal Bankruptcy Law Reform including Discharge System Giving Second Chance to Restart up New Business for Failed Entrepreneurs

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EU Draft Directive regarding Second Chance

“Draft Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on preventive restructuring frameworks, **second chance** and measures to increase the efficiency of restructuring, **insolvency and discharge procedures** and amending Directive 2012/30/EU” was released on 22.11.2016

The proposed draft directive indicates as follows :

Discharge systems to give second chance

Half of all new business survive less than 5 years.

It takes more than 3 years for honest and bankrupt entrepreneurs to discharge their debts and make a fresh start.

Inefficient second chance frameworks result in entrepreneurs being locked into debt-traps or driven to the underground economy.

Disqualification order accompanied by bankruptcy for longer period to honest entrepreneurs may be no good to restart their new business.

These matters are same in APEC region

Personal Bankruptcy and Discharge in China

Chinese “Enterprise” Bankruptcy Law was enacted in 2006 and practice regarding corporate bankruptcy has been well developed in China

Enactment of personal bankruptcy law is one of hot topics in China now

My proposal to include discharge system and adequate disqualification scheme to encourage honest bankrupt entrepreneurs has been welcomed in China

Conference on Personal Bankruptcy and Discharge is planned to be held on 15th June organized by China Banking Law Society, China Council for Promotion of International Trade, Tiantong & Partners, the World Bank (WB) and the ABAC

Japan, WB and ABAC will send foreign speakers

Personal Bankruptcy and Discharge in APEC region

In **Korea** and **Japan**, there are well developed personal bankruptcy laws including discharge schemes and practice

Common law economies including **Singapore** and **Hong Kong** may have developed personal bankruptcy law including discharge systems

Department of Insolvency in **Malaysian** government handles personal bankruptcy only

We have to research on personal bankruptcy laws and discharge systems in other economies in APEC region except the **USA, Canada, Australia, New Zealand**

After the research, we should recommend economies which have no or insufficient discharge systems to reform their personal bankruptcy laws