

- (4) The Assigned Judge may adjust the scale of remuneration in consultation with Creditors of the Debtor. The adjustment may increase the amount paid to an Administrator for liquidations that are completed within a shorter amount of time, when asset prices are maximized, or for assets that were difficult to sell but sold successfully, or decrease the sale for unnecessary delays.
- (5) For cases with few or no assets, the court shall award a minimum fee to allow the Administrator to:
 - (a) Prepare a financial statement of the debtor's financial affairs
 - (b) Prepare an inventory of assets
 - (c) Prepare a list of creditors and their claims
 - (d) Arrange for deregistration of the Debtor if he/she/it is a legal entity, or petition the Assigned Judge for discharge under Section 8.56 of this Act.
- (6) The calculations in the above paragraphs based on percentage and tiers shall determine the Administrator's compensation in addition to the minimum fee.

§ 8.49 Maintaining Limited Liability in Insolvency.

Shareholders of business corporations, member of limited liability companies, and the managers of any of either corporate entities that have been liquidated under this Act shall not be held personally liable for the discharged debts of the company unless they are otherwise liable as provided for in this Act or under the Business Corporations Act.

SUB-CHAPTER 5: LIQUIDATION

§ 8.50 Basis for Liquidation.

A liquidation of a Debtor shall obtain under any of the following conditions:

- a. Where the Debtor is insolvent, and a reorganization of its business is not feasible; and
- b. Where the Debtor voluntarily seeks liquidation

§ 8.51 Liquidation Plan.

- (1) In any case that is not initiated as Reorganization Case, the Administrator shall file a proposed Liquidation Plan with the Commercial Court within thirty (30) days following the meeting of Creditors.
- (2) In the case of a Small Business liquidation case in which no meeting of Creditors was held after notice to Creditors, the Administrator shall file the proposed Liquidation Plan with the Commercial Court within forty-five (45) days as of the Commencement of the case.
- (3) In a Reorganization Case, the Administrator shall file with the Commercial Court a proposed Liquidation Plan within thirty (30) days following a determination by either the Administrator or the Assigned Judge that approval of an Agreement for Settlement is not likely to be achieved in a reasonable period of time and the filing of a Liquidation Plan is in the best interests of creditors.
- (4) The Liquidation Plan shall include:
 - (a) A list of all Property of the Debtor.
 - (b) A list of all liabilities.
 - (c) A list of leased or third-party assets to be returned to their lawful owners.
 - (d) The proposed method for sale of assets in a commercially reasonable manner and whether sale of the business of the Debtor should be as a going concern or in individual lots.
 - (e) A timetable for completion of the liquidation.
- (5) The Liquidation Plan shall be sent to the Creditors. If there is no objection within 15 days, the Assigned Judge will assess the Liquidation Plan bearing in mind Section 8.55 Distribution of Money from Collection and Disposition of Property, to ensure it is fair to the Creditors, and, assuming the Assigned Judge concludes that the Liquidation Plan is fair to Creditors, approve the Liquidation Plan. If any Creditor objects in writing by motion to the Commercial Court within 15 days, the Assigned Judge shall schedule a hearing within 30 days after filing of the Liquidation Plan to hear the Creditor's objection before approving the Liquidation Plan. Notice of the meeting scheduled to consider approval of the Liquidation Plan together with a copy of the Liquidation Plan shall be given to the Debtor and all Creditors. After hearing from interested parties at the meeting, the Assigned Judge shall decide whether to approve the Liquidation Plan, or approve it with modifications. The approval of the Liquidation Plan, and if there were modifications, a copy of the modified Liquidation Plan, will be sent to the Debtor and all Creditors, and will be filed with the Clerk.

§ 8.52 Filing and Verification of Claims.

- (1) A Creditor must file a Claim in accordance with the terms of this Section in order to receive any distribution in connection with the insolvency case.
- (2) The Claims shall be filed with the Clerk or the Administrator, but at the address listed in the notice of commencement of the case.
- (3) The Claims shall be filed within the date set out in the notice of commencement of the case which date shall be 60 days after the mailing of the notice of commencement except with respect to Claims arising as a result of termination of a contract which shall be filed in accordance with the time specified in Section 8.46 of this Act.
- (4) A Claim shall be in writing, provided to the Clerk of the Commercial Court and to the Administrator of the Insolvency case concerned, and shall include the following information:
 - (a) The name of Creditor, name of person executing the claim form, address of Creditor, and, if available, phone numbers and e-mail addresses at which the Creditor and, if different, the person executing the claim form, can be contacted.
 - (b) Amount of Claim, basis for Claim, and description of any asset claimed as collateral for the Claim.
 - (c) If the Claim is a Secured Claim, the Claimant must include sufficient documentation to demonstrate that the security interest is valid and enforceable under applicable law.
 - (d) If the Claim is for unpaid employee wages, the Claimant must identify the time periods for which payment was not made and the rate at which payment was due.
 - (e) To the extent available, supporting documentation should be attached to the Claim to demonstrate its validity.
 - (f) If the Claim is a subject of a pending litigation, a copy of the latest order or records of the case;
 - (g) If the case is one that is unliquidated and yet to be a subject of litigation, a full description of its nature and other details necessary to afford its reasonable evaluation. Such cases can be brought under the jurisdiction of the Commercial Court by the Administrator.
- (5) Verification and Payment of Claims.

- (a) The Administrator shall make an assessment of the validity, amount, and classification (i.e., secured or unsecured, priority) of all Claims submitted to determine whether or not each Claim should be admitted, in whole or in part, to be entitled to distribution in the insolvency case, subject to the claimant right of legal action against the Administrator.
 - (b) The assessment of the Claims shall be concluded within 90 days after the last date for submission of Claims or such later date as may be approved by the Assigned Judge.
 - (c) Upon conclusion of the assessment, the Administrator shall notify each Creditor filing the Claim in writing as to whether or not its Claim has been, in whole or in part, admitted or denied and the basis for that assessment. A Creditor shall have 20 days following the notice of the Administrator's assessment to file an objection to the assessment.
 - (d) If a Creditor objects to the Administrator's assessment of a claim, the Clerk shall schedule a hearing of the Assigned Judge within 30 days to review the Administrator's assessment on that Claim, and to make a final verification of the amount of such Claim to be allowed for purposes of distribution in the insolvency case. The Creditor, Debtor and the Administrator shall receive 20 days' notice of this hearing and have an opportunity to be heard in connection with the verification of the Claim at such hearing. At this hearing, the Assigned Judge shall verify the amounts of Claims based upon the information provided to the Assigned Judge. Alternatively, the Clerk may schedule a further hearing of the Assigned Judge to resolve any disputes with respect to Claims that have not been verified or refer them for alternative dispute resolution as may be approved by the Assigned Judge.
 - (e) The validity and amount of a Claim shall be determined based on the applicable law governing the Claim. All defenses to the amount and validity of a Claim that were available to the Debtor shall be available to the Administrator. Claims that are contingent or unliquidated in amount shall be determined in a fixed amount taking into account all relevant circumstances.
 - (f) The Assigned Judge shall prepare and maintain a public list of Claims which had been verified to be paid in connection with the insolvency case and shall file the chart with the Clerk. The Clerk shall mail a copy of the list to all Creditors who have filed Claims.
- (6) To the extent that a Creditor holding a Claim against the Debtor also owes money to the Debtor with respect to a transaction that occurred prior to the Commencement Date, the Creditor may set off the amount of the Claim held by the Creditor against the amount owed by the Creditor.

- (7) If a Creditor fails to timely file a Claim because the Creditor did not receive proper notice, the Creditor's late filed Claim shall be treated as timely filed and shall be entitled to participate in distributions made in the insolvency case to the extent possible taking into account the then remaining property available for distribution.
- (8) If a Claim is based on a lawsuit in another court, the dispute on which it is based will be decided by the Assigned Judge as described in (5) (d) of this section.
- (9) Claims shall be paid by the Administrator at the offices of the Administrator or through such procedures as the Administrator shall advise in writing and published, subject to the provisions of Section 8.53 of this Act

§ 8.53 Priority of Claims.

- (1) Payments of Claims under a Liquidation Plan shall be made in the following order of priority:
 - (a) Secured Claims to the extent provided for in Section 8.46 of this Act.
 - (b) Administrative Claims Allowed under Section 8.47 of this Act.
 - (c) Claims for unpaid employee wages for three months other than any amounts that are owed to the Debtor or any employee who also has an ownership interest as a shareholder or partner of the Debtor.
 - (d) Tax arrears or obligations that have accrued within the last two (2) years previous to the Commencement Date, provided that the Tax Authority has proven these debts by determining the Debtor's liabilities prior to the filing of the case and has made documented collection attempts;
 - (e) Unsecured Claims.
 - (f) Rights of the Debtor or representing ownership of the Debtor
- (2) To the extent that money received by the Administrator from the disposition or collection of Property is insufficient to pay all Claims in full, Claims shall be fully paid in the order and manner described in the foregoing paragraph and within each category pro rata to the extent of available funds.

§ 8.54 Distribution of Money from Collection and Disposition of Property.

- (1) This Section shall govern distribution of money received from the administration of the insolvency case in which a Liquidation Plan has been approved. This Section shall not apply to cases in which an Agreement for Settlement has been approved.

- (2) Payment of Claims shall be ordinarily made at the conclusion of the administration of the insolvency case. However, the Administrator may propose to make one or more interim distributions to holders of Claims.
- (3) Prior to making any distributions to Creditors, the Administrator shall file with the Clerk a notice of the proposed distribution setting forth the names of recipients and amounts of all payments to be made. A copy of the notice of proposed distribution shall be mailed by the Clerk to the Debtor and all Creditors. A Creditor or the Debtor may file an objection with the Commercial Court in writing within 20 days of the notice. If there is an objection, the Court shall schedule a hearing within 30 days of the objection on at least 20-day notice to the Debtor and all Creditors at which time, after hearing from parties in interest, the Assigned Judge shall make a final determination as to whether and to what extent the proposed distribution should be approved.
- (4) At the time of any proposed interim distribution, if there are Claims that are still in dispute or there are potential future expenses in connection with administration of the insolvency case, the Administrator shall describe in any notice of proposed distribution a reserve to be established to cover later distributions for the amount of such Claims.
- (5) In any distribution approved by the Assigned Judge, Claims shall be satisfied in the order of priority set forth in Section 8.53 of this Act. Where funds are insufficient to satisfy all Claims of a given priority in full, the Claims of that class shall be satisfied pro rata in proportion to the amount of each Claim.

§ 8.55 Discharge of debts.

- (1) After the distribution to Creditors of the liquidated assets of the Debtor, the Assigned Judge shall issue an order discharging the debtor of all debts incurred before the date of opening of the case, except as provided in this Section.
- (2) No discharge shall be granted if the debtor has concealed property that should be administered in the insolvency case, has withheld property or information from the Administrator, or has failed to explain any loss of assets within a year before the insolvency case was opened.
- (3) The following debts shall not be discharged:
 - (a) Alimony or child support owing by the debtor;
 - (b) Any secured debt, to the extent that the value of the collateral. For this calculation, all payments made after the opening of the insolvency case shall be credited against the secured portion of the debt;

- (c) Any debt that is not disclosed in the schedule of debts filed by the debtor;
 - (d) Any debt incurred by fraudulent conduct of the debtor, including with the purpose of dissipating assets to the detriment of any Creditor;
- (4) No debt may be denied discharged on account of fraudulent conduct of the debtor unless the Creditor or Administrator commences an action in the Commercial Court within 90 days after the filing of a petition for an insolvency case to have the debt determined to be non-dischargeable.

§ 8.56 Final Accounting by Administrator.

- (1) Upon conclusion of the administration of the insolvency case, including the resolution of all disputes regarding Claims and Property, turnover of property, collection of transactions subject to rescission, and sale or abandonment of all Property, the Administrator shall file in the Official Insolvency Register a report and final accounting.
- (2) The report and final accounting shall include the following information together with such other information as the Court may direct:
 - (a) A listing of all Property as of the Commencement Date.
 - (b) A listing of all Property collected during the administration of the insolvency case after the Commencement Date.
 - (c) A listing of the disposition of all Property, including the proceeds obtained from the disposition of all Property as listed above.
 - (d) A listing of all disbursements made during the administration of the case, including the party receiving the disbursement, the amount, the date, and the purpose of the disbursement.
- (3) The final accounting shall be available to the Debtor and all Creditors for review with the Clerk of the Commercial Court.
- (4) The Assigned Judge shall set a hearing to consider approval of the final accounting. Notice of the hearing shall be provided by the Clerk to the Debtor and all Creditors. After hearing from interested parties, the Assigned Judge shall approve the final accounting, in whole or in part, or may direct the Administrator to take further actions and resubmit a final accounting. This decision shall be filed with the Clerk and mailed to all creditors.

- (5) Upon approval of the final accounting, the case shall be considered concluded and the Administrator shall be discharged from any further responsibility in connection with the case. Discharge from any further responsibility in connection with the case shall not affect the Administrator's liability as provided in this Act.
- (6) After the approval of the final accounting, Debtor shall be discharged from liability for the debts prior to the Commencement Date of the Case that were treated in the insolvency proceeding.

After the approval of the final accounting, the Commercial Court shall close the case and notify the Liberian Business Registry of the closure of the liquidation with request that the legal entity be deregistered and stricken off the list of registered entities.

SUB-CHAPTER 6: RULES AND PROCEDURES APPLICABLE TO INSOLVENCY CASES

§ 8.57 Appeals.

An appeal from a final judgment in an insolvency Case shall be heard by the Supreme Court, and shall be subject to the provisions of Article IV of the act establishing the Commercial Court.

§ 8.58 Rules of Court.

The details regarding qualification, supervision and discipline of Administrators as well as other matters essential for the effective and expeditious resolution of insolvency cases under this Act shall be contained in the Rules of the Court provided for under Articles III and VII of the act establishing the Commercial Court.

SUBCHAPTER 7: AMENDMENTS, REPEALS, EFFECTIVE DATE

§ 8.59 Repeals.

By the enactment of this Act, the following laws are hereby repealed as set forth in this Section:

1. Chapter 8 of the Liberian Commercial Code-Fraudulent Conveyance Act is hereby repealed;

2. Chapter 20 of the Commercial and Bankruptcy Law, Title 7 of the Liberian Code of Laws Revised (**Voluntary Assignments for Benefit of Creditors**), and Chapter 31 of the Commercial and Bankruptcy Law, Title 7 of the Liberian Code of Laws Revised (**Involuntary Proceedings**) are hereby repealed.

§ 8.60 Amendments.

By the enactment of this Act, the following laws are hereby amended as set forth in this Section:

1. Article II (1) of An Act to Amend the Judiciary Law, Title 17, Liberian Code of Laws Revised, to provide for the Establishment of a Commercial Court, approved September 29, 2010 and published on September 30, 2010 is hereby amended to (i) authorize the Commercial Court to exercise jurisdiction over all Insolvency cases as provided in this Act; and (ii) to remove monetary threshold to insolvency cases cognizable before the Commercial Court.
2. Part VI (Sections 70.159 through Section 70.273) of an Act to Further Amend The Associations Law, Title 5 of the Liberian Code of Law Revised, to Provide for the Incorporation of Registered Business Companies and their Conduct of Business, Including Liquidation and all Matters Incidental Thereto, approved January 8, 2002 and published June 19, 2002 is hereby amended to exclude from the coverage and scope of its provisions dealing with all corporations registered and operating in Liberia.
3. Sections 11.5 and 11.5 of the Associations Law, Title 5 of the Liberian Code of Laws Revised (Settlement of Claims against a Corporation) are hereby amended to the extent provided herein.

§ 8.61 Effective Date.

This Act shall take effect immediately upon publication in handbills.

-2014-


THIRD SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA

HOUSE'S ENGROSSED BILL NO. 23 ENTITLED:

"AN ACT TO REPEAL THE FRAUDULENT CONVEYANCE ACT,
CHAPTER 8 OF LIBERIAN COMMERCIAL CODE, TITLE 7 OF
THE LIBERIAN CODE OF LAWS REVISED, AND TO ENACT IN
LIEU THEREOF A NEW CHAPTER 8 OF THE LIBERIAN
COMMERCIAL CODE ENTITLED THE INSOLVENCY AND
RESTRUCTURING ACT"

On motion, Bill read. On motion, the Bill was adopted on
its first reading and sent to Committee Room on Thursday,
May 8, 2014 @ 11:52 G.M.T.

On motion, the Bill was taken from Committee Room for
its second reading. On motion, under the suspension of the
rule, the second reading of the Bill constituted its third and
final reading, and the Bill was adopted, passed into the full
force of the law, and ordered engrossed today, Tuesday,
October 7, 2016 @ 11:57 G.M.T.


CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

-2016-

FIFTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA

SENATE'S ENDORSEMENT TO HOUSE'S ENGROSSED BILL NO. 23
ENTITLED:

"AN ACT TO REPEAL THE FRAUDULENT CONVEYANCE ACT,
CHAPTER 8 OF LIBERIAN COMMERCIAL CODE, TITLE 7 OF
THE LIBERIAN CODE OF LAWS REVISED, AND TO ENACT IN
LIEU THEREOF A NEW CHAPTER 8 OF THE LIBERIAN
COMMERCIAL CODE ENTITLED THE INSOLVENCY AND
RESTRUCTURING ACT"

On motion, Bill read. On motion, the Bill was adopted on
its first reading and sent to Committee Room on Thursday,
July 17, 2014 @ 12:45 G.M.T.

On motion, the Bill was taken from Committee Room for
its second reading. On motion, under the suspension of the
rule, the second reading of the Bill constituted its third and
final reading, and the Bill was adopted, passed into the full
force of the law, and ordered engrossed today, Thursday,
September 29, 2016 @ 13:45 G.M.T.


SECRETARY, LIBERIAN SENATE, R.L.

STATE OF NEW YORK

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STATE OF NEW YORK

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-2016-

ATTESTATION TO:

“AN ACT TO REPEAL THE FRAUDULENT CONVEYANCE ACT, CHAPTER 8 OF LIBERIAN COMMERCIAL CODE, TITLE 7 OF THE LIBERIAN CODE OF LAWS REVISED, AND TO ENACT IN LIEU THEREOF A NEW CHAPTER 8 OF THE LIBERIAN COMMERCIAL CODE ENTITLED THE INSOLVENCY AND RESTRUCTURING ACT”



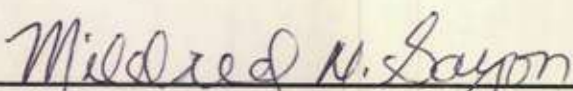
VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/
PRESIDENT OF THE SENATE



SECRETARY, LIBERIAN SENATE



SPEAKER, HOUSE OF REPRESENTATIVES, R.L.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

RESOLUTION

ACT TO REPEAL THE PROVISIONS OF THE LIBRARY CONVEYANCE ACT
SECTION 10 OF LIBRARY ACT (COMPENSATION) (1971) TO THE
LIBRARY CODE OF LAWS REPEAL AND TO BRING IN THE
IN FOR A NEW CHAPTER IN THE LIBRARY CONVEYANCE
CO (LIBRARY) THE PROVISIONS OF THE LIBRARY CONVEYANCE ACT

VICE PRESIDENT OF THE LIBRARY ACT OF LIBRARY
PRESIDENT OF THE LIBRARY ACT



SECRETARY OF THE LIBRARY ACT



MEMBER HOUSE OF REPRESENTATIVES

CHIEF CLERK HOUSE OF REPRESENTATIVES



THE HONORABLE HOUSE OF REPRESENTATIVES

Capitol Building
P.O. Box 9005
Monrovia, Liberia
Website www.legislature.gov.lr



Office of the Chief Clerk

-2016-

FIFTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE REPUBLIC OF LIBERIA

SCHEDULE OF HOUSE'S ENROLLED BILL NO. 57 ENTITLED:

"AN ACT TO REPEAL THE FRAUDULENT CONVEYANCE ACT, CHAPTER 8 OF LIBERIAN COMMERCIAL CODE, TITLE 7 OF THE LIBERIAN CODE OF LAWS REVISED, AND TO ENACT IN LIEU THEREOF A NEW CHAPTER 8 OF THE LIBERIAN COMMERCIAL CODE ENTITLED THE INSOLVENCY AND RESTRUCTURING ACT"

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR EXECUTIVE APPROVAL.

APPROVED THIS: 27th DAY OF DECEMBER A.D. 2016

AT THE HOUR OF 5:30 P.M.

THE PRESIDENT OF THE REPUBLIC OF LIBERIA

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THE BOARD OF DIRECTORS OF THE COMPANY HAS REVIEWED THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2011 AND IS SATISFIED THAT THE FINANCIAL STATEMENTS GIVE A TRUE AND FAIR VIEW OF THE FINANCIAL POSITION OF THE COMPANY AT THE BALANCE SHEET DATE AND OF ITS PERFORMANCE AND CASH FLOWS FOR THE YEAR.

FOR THE BOARD OF DIRECTORS

 CHAIRMAN

FOR THE AUDITORS

 CHARTERED ACCOUNTANTS