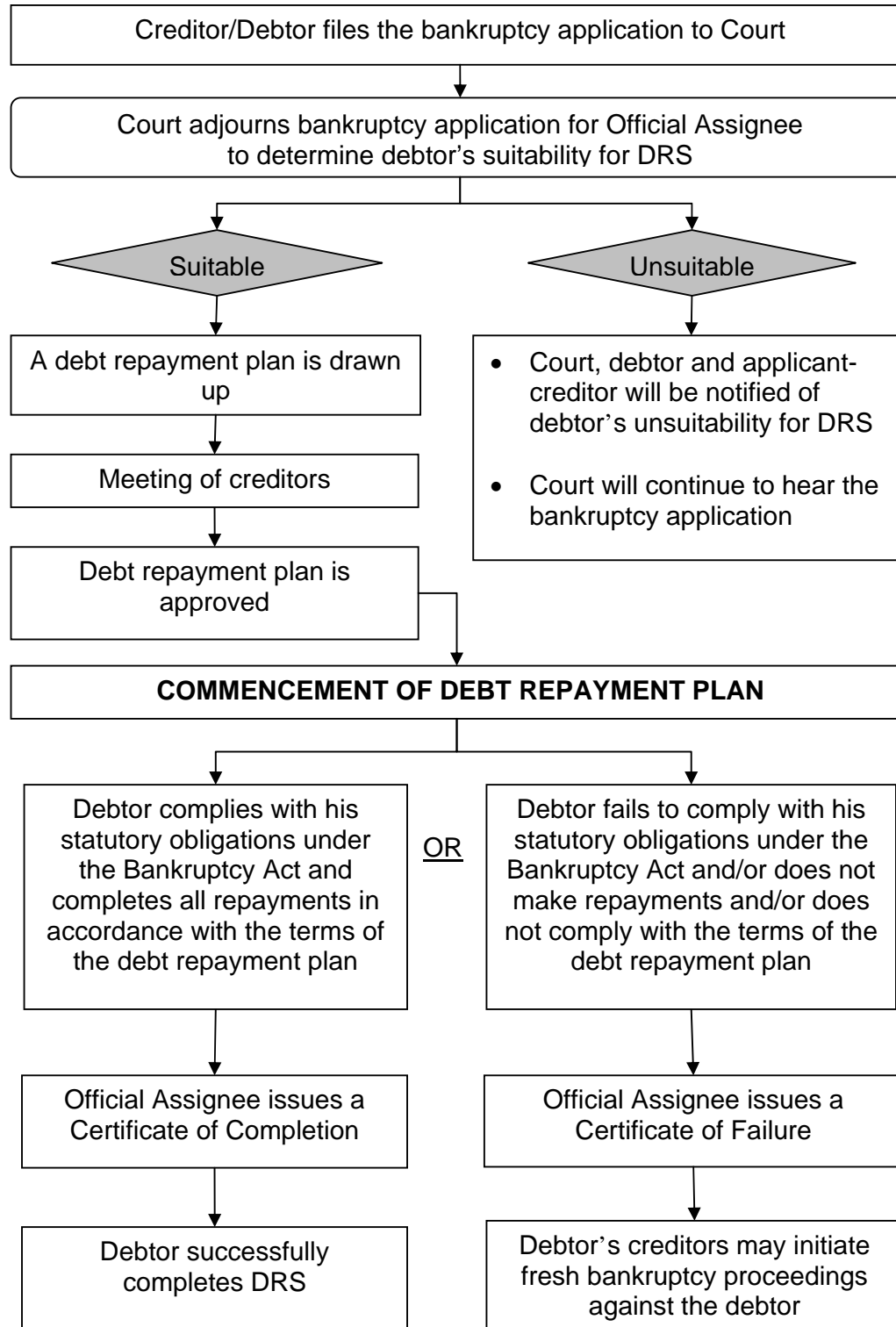


ANNEX A – DEBT REPAYMENT SCHEME PROCESS



ANNEX B – FREQUENTLY ASKED QUESTIONS

1. How is the DRS different from bankruptcy?

A bankrupt is legally and publicly acknowledged to be insolvent. Upon the making of a bankruptcy order, the bankrupt's assets vest in the OA, who will proceed to realise these assets. The bankrupt is subject to various legal restrictions on overseas travel, the commencing of legal action and obtaining credit. A debtor on the DRS may not be subject to the same restrictions imposed on a bankrupt.

2. How does a debtor become eligible for the DRS?

A bankruptcy application must be made to the Court and where the debts owed are less than \$100,000, the debtor will be referred to IPTO for the OA to consider his suitability for the DRS. He must be employed and earning a regular income. He must not be a sole-proprietor or a partner of a business. He must not have previously been an undischarged bankrupt, have previously been on the DRS, or have entered into a voluntary arrangement with his creditors in the preceding five years before the date when he is being considered for the DRS.

3. When will a debtor know if he is found suitable for the DRS?

If a debtor is referred by the Court to IPTO, the hearing of the bankruptcy application will be adjourned for up to six months for the OA to assess his suitability for the DRS. IPTO will inform the Court, the debtor and the applicant-creditor of the outcome of the assessment before the end of the period of adjournment.

4. What happens if a debtor is found suitable for the DRS?

If the debtor is found to be suitable, he will be required to propose a debt repayment plan which must be approved by the OA. The Court, the debtor and the applicant-creditor will be informed and the bankruptcy application against the debtor will be withdrawn. The debtor must then start making payments toward the debts owed under the terms of the plan.

5. What if a debtor is assessed to be unsuitable for the DRS?

The Court, the debtor and the applicant-creditor will be informed. The Court will then continue with the hearing of the adjourned bankruptcy application against the debtor, and a bankruptcy order may be made against him.

6. What if a debtor entered into a hire-purchase agreement before the bankruptcy application was made against him or has an existing mortgage loan on his home?

The debtor **must** inform IPTO of this when he is being considered for the DRS. He should continue to make payments on those debts to the hire-purchase company or the bank in accordance with the terms of the hire-purchase agreement or the mortgage, as the case may be.

7. How can creditors make claims against a debtor who is on the DRS?

Creditors may file their claims electronically against a debtor via www.iptoonline.gov.sg for a fee of \$5. Alternatively, creditors may download the necessary documents from www.drs.gov.sg and submit their claims manually to IPTO located at 45 Maxwell Road, #06-11, The URA Centre (East Wing), Singapore 069118 together with a fee of \$8.

8. Who will monitor the payments to be made by the debtor?

The OA will monitor the payments to be made by the debtor.

9. Will there be any change in the way in which bankruptcy proceedings are commenced once the DRS is in operation?

There is no change in the way bankruptcy proceedings are commenced.

10. Will there be any fees and/or charges?

Yes. Please refer to the list of fees/charges found at www.drs.gov.sg