Financial Restructuring Procedure Journey

Procedure's Phases / **Procedure's Steps**

Preparation of the Application (3 Steps)

- Considering different bankruptcy rocedures
- Preparing information and documentation necessary to file he application
- Determining the most appropriate ankruptcy procedure

Filing of the Application (2 Steps)

- The debtor or the creditor files the application of the commencement of the rocedure with the court
- The court notifies the debtor of the hearing date within (**5**) days of the submission date, if the application if filed by other than the debtor

> The filing of an application of the commencement of the procedure or the commencement of such Procedure results in a claim moratorium until such date where the commencement application is rejected, or when the Court ratifies the Proposal or the termination of the procedure is ordered at a prior date

Procedure Commencement (3 Steps)

- The court issues a judgment to commence the procedure and assign an officeholder or supervision
- The officeholder notifies the known creditors of the court's judgment and asks the creditors to file their claims within not more than (**90**) days of the notification date. A copy of the judgment shall be deposited in the Bankruptcy Register
- The officeholder announces the court's judgment within (**7**) days of his appointment and calls the creditors to file their claims within not more than (**90**) days of the announcement date

> The debtor may object to the application for the commencement of the procedure filed by other than the debtor during its hearing session

> The contracts in which the debtor is a party shall remain valid, regardless of the procedure commencement

> The court may postpone the hearing for a period not to exceed (**21**) days for any of the following reasons:
> - Submitting any additional information or documents
> - Adjusting creditors classification

Proposal Approval (12 Steps)

- The debtor submits to the officeholder a detailed list of existing and valid contracts
- The officeholder prepares an inventory of Bankruptcy Asset and provides the court with a copy
- The creditors file their claims to the officeholder within (**90**) days - based on the form adopted by the Bankruptcy Commission
- The officeholder prepares a list of creditors' claims and submits it to the court for approval within (**14**) days from the claims filing deadline and enable the creditors to view the list
- The debtor prepares the proposal, with assistance form the officeholder, provided that the officeholder deposits a opy at the court
- The debtor, after receiving the officeholder's approval, notifies the creditors whom their claims have been accepted and the owners, whom their rights are affected by the proposal, of the voting date before its advancement with at least (**21**) days
- The debtor announces the voting date on the roposal
- Owners' and creditors' voting n the proposal
- The officeholder notifies the debtor, the owners, and the creditors of the voting result and eposit it at the court
- The officeholder requests the court to ratify the proposal and he shall notify the reditors before that
- The officeholder announces the voting on the proposal within (**10**) days of the voting date
- The officeholder deposits a copy of the court's judgment to ratify the proposal in the Bankruptcy Register within (**10**) days of the ratification date

> Provided that the officeholder makes a decision of terminating any contract for not more than (**60**) days of the procedure commencement

> Creditors committee shall be established by a court judgment or by a request form the officeholder or creditors and creditors' claims represent (**50%**) of the total debts

> The officeholder attaches by notification a copy of the proposal or any document that indicates the possibility of viewing the proposal

Implementation (3 Steps)

- The debtor implements the plan and the parties indicated in the plan (the creditors and owners) shall be obliged to it
- The debtor is required to receive the officeholder's written consent for taking over the ratification of the proposal and until the procedure is terminated with any actions stipulated in Article (**85**) of the Bankruptcy Law
- The debtor submits to the officeholder a report by the end of every (**3**) months on the plan implementation progress; provided that the officeholder shall review the report and submit it to the court and the creditors with (**30**) days of the submission date

Procedure Termination (4 Steps)

- The officeholder notifies the creditor before filing the procedure termination application upon full implementation of the plan
- The officeholder deposits the court's judgment of terminating the procedure in the Bankruptcy Register
- The court issues a procedure termination judgment when one of the cases stipulated in Article (**87**) of the Bankruptcy Law is achieved
- the officeholder submits to the debtor all debtor assets, records, correspondences, claims and any other Information or documents relating to the procedure acquired or generated thereby during his tenure as officeholder

Implementation Channels

Phase	Channel
Preparation of the Application	Viewing Guide to the Commencement of " Bankruptcy Procedures,Eisar's website https://bankruptcy.gov.sa
Filing of the Application	The Portal of Commercial Justice System https://www.moj.gov.sa/ar/eServices/Pages/Details.aspx?Id=24&mId; Commercial Court – Bankruptcy Circuit; Eisar's website https://bankruptcy.gov.sa
Procedure Commencement	Commercial Court – Bankruptcy Circuit; Eisar's website https://bankruptcy.gov.sa
Proposal Approval	Commercial Court – Bankruptcy Circuit; Eisar's website https://bankruptcy.gov.sa
Implementation	Commercial Court – Bankruptcy Circuit
Procedure Termination	Commercial Court – Bankruptcy Circuit; Eisar's website https://bankruptcy.gov.sa

Seeking help from specialists, if needed

Lawyer - Certified Public Accountant - Bankruptcy Officeholder - Consultant by Specialty →

Scan the code to download the Procedure's journey and information card