

BANKRUPTCY OF
NATURAL PERSONS IN
LITHUANIA:

ISSUES AND SOLUTIONS

THE HISTORY OF BANKRUPT IN THE WORLD

- Roman law more 2500 years ago
- Great Britain since the 18th century
- the Universal Human Rights Declaration on 10 December 1948
- the Convention on the Protection of Human Rights and Fundamental Freedoms 1952
- economic downturn of 1980 in France
- the increase of unemployment in 1990 in Finland
- Council Regulation (EC) No 1346/2000 on insolvency proceedings adopted on the level of the European Union on 29 May 2000 came into force on 31 December 2002
- In Lithuania it was established on 1 March 2013

THE CONCEPTS OF BANKRUPT

- do not recur
- do not the abuse of this institute
- the causes/reasons should be eliminated
- the satisfaction of minimum needs of the debtor and his family
- the restoration of the debtor's economic capacity over a certain period

MODELS OF REHABILITATION

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graph TD; A[MODELS OF REHABILITATION] --> B[model of the Nordic countries]; A --> C[German–Austrian model]; A --> D[French model];
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model of the
Nordic countries

German–Austrian
model

French model

THE LITHUANIAN BANKRUPTCY LAW OF NATURAL PERSONS

- > LTL 25000 or €7225
- 10 years
- *good-faith* person (not of bad faith, not of harmful habits, not of criminal)
- doesn't seek personal benefit
- not *Solvency of the person*
- not of the time of his debt liabilities

PHASES OF BANKRUPTCY PROCEEDINGS

First phase - institution of bankruptcy proceedings

- a. pre-trial examination procedure
- b. application for the declaration of insolvency
- c. provision of documents (preconditions)

Second phase - approval of creditor's claims

Third phase - consideration of the plan and implementation of the plan

THE GENERAL CONCLUSION

- Council Regulation (EC) No 1346/2000 on insolvency proceedings adopted on the level of the European Union on 29 May 2000 came into force on 31 December 2002
 - In Lithuania the law entered into force on 1 March 2013
 - good–faith persons only
 - Three phases of bankrupt

Ladies and gentlemen, Thank you for your
attention.