

Restructuring & Insolvency

Application Period for Simplified Insolvency Programme Extended to 28 July 2022

Introduction

The Ministry of Law ("**MinLaw**") has announced that the application period for the Simplified Insolvency Programme ("**SIP**") has been extended to **28 July 2022**. The application period was originally set at six months (from 29 January 2021 to 28 July 2021). However, in light of the continued challenges in the business environment arising from the COVID-19 pandemic, MinLaw has extended the application period for another year.

Simplified Insolvency Programme

In the initial onset of the COVID-19 pandemic, the SIP was developed to help eligible micro and small companies ("**MSCs**") facing financial difficulties restructure their debts or wind up via simpler, faster, and lower-cost restructuring processes. This would optimise resources and potentially maximise returns to creditors.

The SIP comprises two separate programmes which eligible MSCs may apply for:

- (a) **Simplified Debt Restructuring Programme ("SDRP")** – for the restructuring of debts and potential rehabilitation of viable businesses; and
- (b) **Simplified Winding Up Programme ("SWUP")** – for the orderly winding up of non-viable businesses.

Both branches of the SIP are initiated by the applicant company submitting an application to the Official Receiver. If the applicant company meets the eligibility criteria and is accepted into the SIP, the simplified procedure under the SDRP or the SWUP is initiated.

The period in which companies could submit their SIP applications was initially set to run from 29 January 2021 to 28 July 2021.

Extension of Application Period

Although Singapore is transitioning towards an endemic COVID-19 situation, there is still a degree of uncertainty in the global outlook. In recent months, changes in the safe management measures in Singapore have led to financial challenges for affected businesses. Further, as the temporary relief

Restructuring & Insolvency

measures introduced by the Government begin to taper off, businesses will no longer be able to rely on such support.

To address the continued difficulties facing MSCs, the application period for companies to submit their SIP applications to the Official Receiver has been extended to **28 July 2022**. Eligible MSCs will thus be able to rely on the simplified restructuring and insolvency processes for a longer period of time.

Concluding Words

For more information on the key features of the SDRP and SWUP introduced under the SIP, please see our earlier Legal Update on "Simplified Insolvency Programme Tabled in Parliament to Assist Micro and Small Businesses", available [here](#).

For more information on the eligibility criteria and the application process under the SIP, please see our earlier Legal Update on "Simplified Insolvency Programme in Effect from 29 January 2021 ", available [here](#).

If you may have any further queries, please feel free to contact our team below.

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