

# Successful release for bankrupts

## PM lauds Insolvency Dept's surpassing of initial target of 130,000 cases

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**PUTRAJAYA:** A total of 142,510 cases have been released from bankruptcy by the Insolvency Department up until June this year, surpassing Putrajaya's initial target of 130,000 cases, says the Prime Minister.

Datuk Seri Anwar Ibrahim attributed the success in assisting bankrupt individuals to the Insolvency Department and the government's legal amendments, which included raising the minimum debt threshold from RM50,000 to RM100,000.

"For these 140,000 individuals, companies and families who are stuck in a lurch not knowing their future, this will definitely help them and also assist in driving growth," said Anwar during the 100th anniversary celebration of the Insolvency Department here yesterday.

Putrajaya has set a target for the Insolvency Department to release 130,000 cases from bankruptcy this year.

Anwar also said this was an unprecedented success for the Insolvency Department and Putrajaya.

"People always get anxious when they assume that the government is doing nothing. This is not true.

"From Merdeka (1957) until now, there has been no government capable of solving over 142,000 bankrupt cases," he said.

Anwar also hinted that there will be positive surprises in store for the Insolvency Department because it managed to exceed its target.

"We are studying the effectiveness of streamlining government systems.

"The role of the Insolvency Department will surely be given



**Tracing history:** Anwar and Azalina (third from right) looking at exhibits during the launching of the Insolvency Department's 100th anniversary at the Putrajaya International Convention Centre. — AZHAR MAHFUF/The Star

special attention for its good performance," he said.

Earlier, Anwar said that the government intends to provide a second chance to Malaysians who may have become bankrupt due to a variety of unavoidable circumstances.

"Sometimes it might be due to carelessness or the Covid-19 pandemic, where the then sluggish economy affected their financial standing.

"It is our responsibility to stimulate the economy and give people a second chance," he said.

He also stressed the importance

of having compassion as the nation heads towards reforms and development.

"We can be developed. However, without compassion, the public's opportunities will suffer," Anwar added.

Minister in the Prime Minister's Department (Law and Institutional Reform) Datuk Seri Azalina Othman Said, who was also present during the ceremony, said the Second Chance Policy reflects the government's commitment to ensuring that no Malaysian is left out of national development.

In line with current trends and

technological advancements, she said the digitalisation of operations plays an important role in modernising operations.

Azalina said the government had taken steps to improve digitalisation among government agencies.

"In driving competitiveness for sustainable growth, the government has taken steps to improve the adoption of technology and digitalisation through the development of the Enterprise Architecture," she said.

Azalina also said the government will conduct a feasibility

study on incorporating the Insolvency Department in accordance with best international practices and the perspectives of cross-border insolvency specialists and Malaysians to ensure more efficient insolvency administration.

"This effort can promote cash flow and economic growth as well as attract financial investments and international trade to Malaysia.

"This is another commitment made by the Madani government to ensure the well-being of Malaysians and drive national economic growth to make Malaysia a developed, high-income country," she added.

The Second Chance Policy was first announced on Oct 13 last year during the tabling of Budget 2024 by Anwar.

The policy is a government initiative designed to protect the welfare of the people burdened by small-scale debts and to provide a pathway out of bankruptcy under specific conditions.

The policy includes amendments to the Insolvency Act 1967, among them being increasing the minimum debt threshold from RM50,000 to RM100,000.

In Budget 2024, Anwar announced the expansion of the Second Chance Policy to include bankrupts aged 40 and below with debts not exceeding RM200,000.

The number of bankruptcies has reduced from 6,554 cases in 2021 to 5,695 cases in 2022, from 4,810 last year and 2,401 up until May this year.