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# **UK Business Bankruptcy - Advice From An Expert**

Filing for bankruptcy may seem like a depressing and prolonged conclusion to your financial troubles, however, even though it is important to be in control of your finances, bankruptcy is certainly not the end of the world. Before you even begin researching bankruptcy you need to find out about the alternative solutions available to you. An independent financial advisor is your best source of information, though if the costs involved are too much, your local Citizen's Advice Bureau will be more than adequate. If bankruptcy is the only option, below is a guide to the process.

To begin with you need to petition the courts with your bankruptcy request. Petitions need to be made in person either at a local court that deals with insolvency, or at the High Court in London. You must bring with you three copies of the petition form, and two copies of the statement of affairs form, both of which can be found online or at your local court.

There are charges you must cover with the petition covering court fees and a deposit. The court fees come to £150, though in some circumstances the courts will waive this fee depending on your financial situation. There is also an administration deposit which you must pay, of £450. Finally, there is a £7 fee for swearing the statement of affairs. You can pay either in cash or postal order on the day of the submission or prior to the submission, by post.

Once you go to court with the correct documents and fees, the court will either hear your case immediately or arrange a future date for your petition to be heard. If your hearing goes ahead, there will be four possible outcomes. Either the hearing will be delayed until more information is obtained on your situation, the petition will be dismissed, you will be appointed an insolvency practitioner, or they will make a bankruptcy order.

An insolvency practitioner will be appointed if it is decided that an Individual Voluntary Arrangement would be a more appropriate solution. This will only happen if you have assets that are worth more than £2,000 and unsecured debts under £20,000 and you have not been declared bankrupt or filed an IVA in the preceding five years. Once you have been declared bankrupt, you will be appointed an Official Receiver, which is a court official that will deal specifically with your case. The OR will meet with you to discuss your financial situation and research your financial situation leading up to and during your bankruptcy. Two years after the bankruptcy was declared, you will be discharged and free from bankruptcy.

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