

Duma Tweaks Bankruptcy Rules

By [The Moscow Times](#)

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The State Duma's property committee has proposed to increase the minimum debt threshold enabling individuals to file for bankruptcy to 300,000 rubles (\$9,000), in a move expected to benefit lending institutions, a report said Friday.

The measure is outlined in an updated version of a bill on bankruptcy of individuals that lawmakers have sent to the government for approval, Kommersant reported. The initial version that was passed in the first reading in November stipulated that the threshold should stand at 50,000 rubles.

According to the new version of the document, a person filing for bankruptcy will also have to hire a financial manager, whose minimum monthly salary would be at least 10,000 rubles.

The initial version of the bill did not include that measure. This would have resulted in a "paradoxical situation" because the "person who got himself into a poor financial situation would then manage the bankruptcy procedure himself, assessing and selling his own property," said Sergei Gavrilov, chairman of the Duma's property committee.

But human rights activists argued that hiring a financial manager could worsen a borrower's financial conditions, because the overall pay for those services could ultimately increase the size of the debt.

The bankruptcy procedure lasts for up to two years, bringing the total salary of a financial manager to 240,000 rubles, said Igor Kostikov, head of the financial consumers protection union.

If approved by the government, the new version of the bill will be considered by the Duma in the key second reading in autumn.

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