

EXPLANATORY NOTE

Bankruptcy Notice

This is a notice to be issued by a creditor to a debtor who is a natural person requiring settlement of an outstanding debt or securing it to the satisfaction of the creditor in failure of which the creditor is empowered to file an application for bankruptcy order against the debtor.

Legal Basis

The guiding legal provision is **Section 17 (3) (a) of the Insolvency Act No. 18 of 2015** which empowers a creditor who has served on the debtor a demand requiring the debtor to pay the debt or to secure or compound for it to the satisfaction of the creditor, and at least twenty—one days have elapsed since the demand was served, and the demand has been neither complied with nor set aside in accordance with the insolvency regulations to make an application for a bankruptcy order against the debtor. The debt in question should not be a disputed debt and should not be less than KShs. 250,000 as contemplated under **Regulation 3 of the Insolvency Regulations**. In failure to settle the debt and or secure or compound it, the creditor proceeds to file an application for bankruptcy order against the debtor.