

**OFFICIAL ASSIGNEE / OFFICIAL RECEIVER  
(MACHINE UNDER HIRE PURCHASE)  
CIRCULAR NO. 1 OF 2017**

**MACHINE UNDER HIRE PURCHASE  
WHERE HIRER IS A BANKRUPT  
OR WOUND UP COMPANY**

1 This circular supercedes Official Assignee / Official Receiver Circulars No. 1 & 2 of 2000 with immediate effect.

2 The Official Assignee/Official Receiver will not seize any machine that is under a hire purchase agreement. The machine on hire purchase must be handed over directly to the hire purchase company by the bankrupt or representative of the wound up company on the Official Assignee/Official Receiver's directions.

3 If the bankrupt or representative of the wound up company surrenders the said machine to the Official Assignee/Official Receiver, the machine will be stored in the Official Assignee/Official Receiver's warehouse and the hire purchase company will be given a notice in writing to take over physical possession of the machine. If the machine is not removed from the Official Assignee/Official Receiver's warehouse within seven working days from the date of the notice, the Official Assignee/Official Receiver reserves the right to claim storage fees from the hire purchase company.

4 The hire purchase company may, in its discretion, decide to sell the machine in the open market or seek a third party to pay the balance due under the hire purchase agreement.

***I. Sale in the Open Market***

5 If the hire purchase company decides to sell the machine in the open market, it must make best efforts to secure at least three independent offers to purchase the machine. If the highest bid among the three offers is equal to or above the valuation of the machine, the hire purchase company may sell the vehicle to the highest bidder. If the sale proceeds exceed the balance due under the hire purchase agreement, the hire purchase company must remit the surplus proceeds to the Official Assignee/Official Receiver, accompanied by the following documents:

- a. Completed copy of Appendix A;
- b. A copy of the hire purchase agreement;
- c. A copy of the repossession certificate/acknowledgement of receipt;
- d. A copy of the machine details;
- e. Statement of outstanding amount;
- f. Valuation of the machine (Market Valuation or Forced Sale Value);
- g. A copy of the advertisement (print or online); and

h. Evidence of offers made to purchase the machine.

6 If the highest bid is below the valuation of the machine, the hire purchase company must obtain the prior written approval of the Official Assignee/Official Receiver before accepting the bid. The hire purchase company must also submit a completed copy of Appendix B with the documents/information listed in paragraph 5(b) to (h).

***II. Settlement by Means Other than Sale in the Open Market***

7 If the hire purchase company, having received full settlement for the balance due under the hire purchase agreement, or for other reasons, releases the bankrupt or wound up company from his/its liability under the hire purchase agreement, then the hire purchase company must deliver the machine with the documents/information listed in paragraph 5(b) to (g) to the Official Assignee/Official Receiver within five working days from the date of settlement.

8 If the hire purchase company fails to deliver the machine within the stipulated time, the Official Assignee/Official Receiver shall have the right to recover from the hire purchase company any loss in value of the machine arising from the delay.



JILL TAN (MS)  
OFFICIAL ASSIGNEE/OFFICIAL RECEIVER

12 October 2017

**APPENDIX A**

**MACHINE UNDER HIRE PURCHASE AGREEMENT**  
**SALE OF MACHINE**  
**(FOR OFFERS AT OR ABOVE VALUATION PRICE)**

To: Official Assignee/Official Receiver

Dear Sir/Mdm

Name of Bankrupt /Wound up Company : \_\_\_\_\_  
Bankruptcy / CWU / Reference No. : \_\_\_\_\_  
Machine No. : \_\_\_\_\_  
Make/Model : \_\_\_\_\_ Vehicle : New / 2<sup>nd</sup> Hand  
Year of Manufacture : \_\_\_\_\_

The above machine which is financed by us was put up for sale. Details of the offers are as follows:-

<u>Particulars of Offerors</u>	<u>Price</u>
_____	_____
_____	_____
_____	_____

We accepted the offer from \_\_\_\_\_ for \_\_\_\_\_ which is the highest offer.

Amount outstanding to date: \_\_\_\_\_

Valuation Price of Machine: \_\_\_\_\_

\_\_\_\_\_

Name, Signature of Representative & Date

**APPENDIX B**

**MACHINE UNDER HIRE PURCHASE AGREEMENT**  
**SALE OF MACHINE**  
**(FOR OFFERS BELOW VALUATION PRICE)**

To: Official Assignee/Official Receiver

Dear Sir/Mdm

Name of Bankrupt /Wound up :  
Company

Bankruptcy / CWU / Reference : \_\_\_\_\_  
No. \_\_\_\_\_

Machine No. : \_\_\_\_\_

Make/Model : \_\_\_\_\_ Vehicle : New / 2<sup>nd</sup> Hand

Year of Manufacture : \_\_\_\_\_

The above machine which is financed by us was put up for sale. Details of the offers are as follows:

<u>Particulars of Offerors</u>	<u>Price</u>
_____	_____
_____	_____
_____	_____

The highest price offered is below the valuation of the machine. The market valuation/forced sale value is \$\_\_\_\_\_.

We seek your approval to accept the offer made by \_\_\_\_\_ for \$ \_\_\_\_\_ even though it is below the valuation of the machine for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name, Signature of Representative & Date