

## Terminating a business

### **Sole traders**

Business is terminated in the case of

- a) (1) \_\_\_\_\_ → executors become in charge of the trader's affairs
- b) (2) \_\_\_\_\_: trader cannot continue in business,  
he is an (3) \_\_\_\_\_ bankrupt

### **Partnership**

- (4) \_\_\_\_\_ partnership terminates upon death/bankruptcy/retirement of a partner  
(unless there is an agreement to continue)

**X**

- (5) \_\_\_\_\_ partnership is not dissolved by death/bankruptcy/retirement of a partner

## Insolvency in UK

Insolvency **can be defined** as the inability of an individual or company to pay debts when they become (6) \_\_\_\_\_.

### **The procedures applying to individuals are:**

- a) (7) \_\_\_\_\_ (konkurz, úpadek)
- b) individual (8) \_\_\_\_\_ (restrukturalizace dluhu se souhlasem věřitelů a soudu)
- c) fast track voluntary arrangement

### **The procedures applying to companies are:**

- a) (9) \_\_\_\_\_ = winding up by the court
- b) administrative (10) \_\_\_\_\_ (nucená správa)
- c) administration ((nařízená) správa (společnosti))
- d) company voluntary arrangement
- e) creditors' voluntary liquidation or members' voluntary liquidation

### **Officials involved in insolvency proceedings:**

official receivers

- civil servants and officers appointed by the (11) \_\_\_\_\_
- administer cases
- investigate the affairs of individuals in (12) \_\_\_\_\_ and companies in  
(13) \_\_\_\_\_

insolvency practitioners

- work in private sector: accountants, (14) \_\_\_\_\_
- can act as (15) \_\_\_\_\_ in creditors' voluntary liquidations, administrative receivers and administrators

OR/IP act as trustees

**Bankruptcy in UK** (applies to individuals = sole traders and individual members of a partnership)

**Procedure:**

a bankruptcy petition is filed with the court →  
 the court issues (16) \_\_\_\_\_ →  
 the (17) \_\_\_\_\_ becomes "bankrupt" →  
 the property vests in a (18) \_\_\_\_\_ (OR or IP) →  
 OR/IP realizes (19) \_\_\_\_\_ →  
 OP/IP pays fees, costs and distributes the rest to the (20) \_\_\_\_\_

**Compulsory liquidation in UK** (applies to companies)

a winding-up petition is filed with the court →  
 the court issues (21) \_\_\_\_\_ →  
 the court notifies the OR who sends notice to the (22) \_\_\_\_\_ →  
 members/directors no longer in control →  
 OR (IP if significant (23) \_\_\_\_\_) handles liquidation →  
 OR/IP is released → the company is (24) \_\_\_\_\_

**Match the words to their definitions/synonyms:**

bankrupt	the person administering a dead person's property
executor	the state of being unable to pay debts
bankruptcy	a person not being able to pay debts
wound-up	freed from bankruptcy
dissolved	liquidated
discharged	officially terminated

**Make the pairs to create six terms:**

involuntary .....	person
bankruptcy .....	receiver
general .....	petition
registered .....	proceedings
legal .....	office
official .....	meeting

**KEY:**

- (1) death
- (2) bankruptcy
- (3) undischarged
- (4) ordinary
- (5) limited liability
- (6) due
- (7) bankruptcy
- (8) voluntary arrangement
- (9) compulsory liquidation
- (10) receivership
- (11) court
- (12) bankruptcy
- (13) compulsory liquidation
- (14) solicitors
- (15) liquidators
- (16) bankruptcy order
- (17) debtor
- (18) trustee
- (19) bankrupt's estate/property/assets
- (20) creditors
- (21) winding-up order
- (22) directors
- (23) assests/property
- (24) dissolved