

INSOLVENCY



Überall, im Geschäftsleben wie auch privat, wird Insolvenz angemeldet, oder man bemüht sich, dies zu verhindern. PATRICK MUSTU gibt Ihnen wichtige Begriffe zum Mitreden.

Time to wind up?

During the past year, the recession has spread to most business sectors, and an increasing number of companies are facing **insolvency**. The largest case in history was the collapse of US investment bank Lehman Brothers in September 2008, with **debts** of \$613 billion.

The words “insolvency” and “**bankruptcy**” are often used as if they had the same meaning, but there is a difference. When individuals or organizations are unable to pay their **creditors**, they are insolvent. Under English law, insolvent individuals may **declare** bankruptcy, while insolvent businesses go into “**liquidation**”.

Personal bankruptcies differ greatly in length from country to country. Individuals usually receive a **discharge** from their debt after 12 months in England or France, but this

takes six years in Germany. As a result, some EU citizens with large debts try to take up residence and declare bankruptcy in a member country where procedures are short.

Liquidation of a company, also called “winding up”, leads to the closing of the business. This is managed by an appointed **liquidator**, who **realizes** the company’s **assets**. Alternatively, the firm may be put into **receivership** — in other words, an official **receiver** is appointed to manage the company’s finances until the firm enters liquidation.

Whether or not creditors get any money depends mainly on their status. Some creditors are paid first, because the debts owed to them are **secured** by **liens**. Other creditors are preferred by law; these include the company’s employees and, when taxes are owed, the government.

In US law, the term “bankruptcy” refers to both individuals and companies. It is common for insolvent firms to file for bankruptcy under **Chapter 11**. This section of US bankruptcy law allows restructuring and prevents liquidation while the business continues its operations — something that is strictly forbidden in many other countries.

Keeping a business going rather than destroying it may seem to make sense, but it keeps in place managers who have failed and also takes away the rights of secured creditors to recover their money in the event of non-payment.

Whatever financial crisis comes next, you never know who will be hit. After all, Oscar Wilde, Henry Ford and Walt Disney all declared bankruptcy in their lifetime.

QUIZ: Going for broke

Choose the best answer to each question.

- A main reason for personal insolvency is:
 - expensive home loans
 - bad investments
 - divorce
- Which of these business areas has the most insolvencies in England?
 - building
 - hotels & restaurants
 - education
- How did the number of bankruptcies in the US change between 2007 and 2008 (in per cent)?
 - 10%
 - + 10%
 - + 30%
- What is a bankrupt person required to do in Australia?
 - report to court once a month
 - get permission to travel overseas
 - collect money from relatives
- How much may an insolvent person in Germany keep for his/her basic needs every month?
 - 360
 - 690
 - 990

Answers on page 87

assets ['æsets]	Vermögenswerte, Aktiva
bankruptcy ['bæŋkrʌptsi]	Insolvenz, Konkurs
billion ['bɪljən]	Milliarde(n)
Chapter 11: file under ~~	Insolvenz beantragen (mit
[,tʃæptə 'iːlvən] US	Schutz vor Ansprüchen der
	Gläubiger)
creditor ['kredɪtə]	Gläubiger(in)
debts [dets]	Schulden
declare (bankruptcy) [di'kleə]	(Insolvenz) anmelden
discharge ['dɪstʃɑːdʒ]	Schuldenbefreiung
insolvency [ɪn'sɒlvənsi]	Insolvenz
lien ['liːən]	dingliches Sicherheitsrecht
liquidation [lɪkwɪ'deɪʃən]	Liquidation, Konkurs
liquidator ['lɪkwɪdeɪtə]	Insolvenzverwalter(in)
realize sth. ['riːəlaɪz]	etw. verkaufen, etw. veräußern
receiver [ri'si:və]	Insolvenzverwalter(in)
receivership: be put into ~	unter Insolvenzverwaltung
[ri'si:vəʃɪp]	gestellt werden
secure sth. [sɪ'kjʊə]	etw. sichern



PATRICK MUSTU is a lawyer, translator and language trainer based in Düsseldorf. He runs English in Beruf (www.english-nrw.de) and specializes in legal and financial English. Contact: info@mustu.de

Expressions

bankruptcy ['bæŋkrʌptsi]	Insolvenz, Konkurs
be/go bankrupt [ˌbiː/ˌgəʊ 'bæŋkrʌpt]	zahlungsunfähig sein/werden
be/go broke [ˌbiː/ˌgəʊ 'brəʊk] <i>ifml.</i>	pleite sein/pleitegehen
be indebted [ˌbiː ɪn'detɪd]	verschuldet sein
be insolvent [ˌbiː ɪn'sɒlvənt]	insolvent sein
be on the rocks [ˌbiː ɒn ðə 'rɒks] <i>ifml.</i>	in Geldnot sein
be over-indebted [ˌbiː ˌəʊvərɪn'detɪd]	überschuldet sein
be wiped out [ˌbiː ˌwaɪpt 'aʊt] <i>ifml.</i>	pleite sein
collapse [kə'leɪps]	Pleite; pleitegehen
dissolution [ˌdɪsə'luːʃən]	Auflösung
failure (of a company) ['feɪljə]	Konkurs (einer Firma)
file (for/under) Chapter 7	Liquidation beantragen
[ˌfaɪl (fɔː/ʌndə) ˌtʃæptə 'sevən] US	
file (for/under) Chapter 11	Insolvenz beantragen
[ˌfaɪl (fɔː/ʌndə) ˌtʃæptə ɪ 'levən] US	
insolvency [ɪn'sɒlvənsi]	Insolvenz
go bust [ˌgəʊ 'bʌst] <i>ifml.</i>	pleitegehen
go out of business [ˌgəʊ ˌaʊt əv 'bɪznəs]	das Geschäft aufgeben

Financial terms

assets ['æsets]	Vermögenswerte, Aktiva
cash flow ['kæʃ fləʊ]	Cashflow, Kapitalfluss
credit sth. ['kredit]	etw. gutschreiben
debt [det]	Schuld
discharge ['dɪstʃɑːdʒ]	Schuldenbefreiung
liabilities [ˌlaɪə'bɪlətɪz]	Verbindlichkeiten, Passiva
liquidity [lɪ'kwɪdətɪ]	Liquidität
obligation [ˌɒblɪ'geɪʃən]	Verbindlichkeit, Schuld
property ['prɒpəti]	Vermögensgegenstand, Eigentum
service (debts) ['sɜːvɪs]	(Schulden) bedienen

People

administrator [əd'mɪnɪstreɪtə] UK	Insolvenzverwalter(in)
bankruptcy lawyer	Fachanwalt/-anwältin
['bæŋkrʌptsi ˌlɔːjə] US	für Insolvenzrecht
insolvency practitioner	Insolvenzverwalter(in)
[ɪn'sɒlvənsi præk'tɪʃənə] UK	
liquidator ['lɪkwɪdeɪtə]	Insolvenzverwalter(in)
official receiver [ə'fɪʃl ri'si:və]	Insolvenzverwalter(in)
preferred/preferential/ priority creditor	bevorrechtigte(r) Gläubiger(in)
[priːfɜːd/prefə'renʃəl/praiːrəti 'kredɪtə]	
secured creditor [sɪ'kjʊəd 'kredɪtə]	gesicherte(r) Gläubiger(in)
trustee [ˌtrʌ'stiː]	Insolvenzverwalter(in)
unsecured creditor [ʌnsɪ'kjʊəd 'kredɪtə]	nicht gesicherte(r) Gläubiger(in)

Procedure

administration [əd,mɪnɪ'streɪʃən] UK	gerichtlich angeordnete Insolvenzverwaltung
Bankruptcy Code	US-Insolvenzrecht
['bæŋkrʌptsi kəʊd] US	
bankruptcy court ['bæŋkrʌptsi kɔːt]	Insolvenzgericht
court order [ˌkɔːt 'ɔːdə]	Gerichtsbeschluss; gerichtliche Verfügung
debt restructuring ['det riː'strʌktʃərɪŋ]	Umschuldung
declare bankruptcy	Insolvenz anmelden
[di'kleə 'bæŋkrʌptsi]	
file a (bankruptcy) petition	einen Insolvenzeröffnungsantrag stellen
[ˌfaɪl ə ('bæŋkrʌptsi) pə'tɪʃən]	
individual/personal insolvency	Privatinsolvenz; Verbraucherinsolvenz
[ɪndɪ'vɪdʒuəl,pɜːsənəl ɪn'sɒlvənsi]	
liquidate ['lɪkwɪdeɪt]	liquidieren, auflösen
liquidation [ˌlɪkwɪ'deɪʃən]	Liquidation, Auflösung
realize (assets) ['riːəlaɪz]	(Vermögenswerte) verkaufen, veräußern
receivership [ri'si:vəʃɪp]	Insolvenzverwaltung
release sb. [ri'liːs]	jmdn. befreien; hier: von Schulden befreien
secure sth. [sɪ'kjʊə]	etw. sichern
seize sth. [siːz]	etw. pfänden
sequestration [ˌsiːkwə'streɪʃən]	Zwangsverwaltung
winding up [ˌwaɪndɪŋ 'ʌp]	Liquidation, Auflösung

Securing claims

attachment [ə'tætʃmənt]	Pfändung, dinglicher Arrest
charge [tʃɑːdʒ]	Belastung
collateral [kə'lætərəl]	Sicherungsgegenstand; Sicherheit
equipment pledge	Sicherungsübereignung
[rɪ'kwɪpmənt pledʒ]	
garnishment ['gɑːnɪʃmənt]	(Forderungs-)Pfändung
land charge ['lænd tʃɑːdʒ]	Belastung von Grundbesitz; Grundschuld
lien ['liːən]	dingliches Sicherungsrecht, Pfandrecht
pledge [pledʒ]	Verpfändung
retention of title	Eigentumsvorbehalt
[ri'tenʃən əv 'taɪtəl]	
security [sɪ'kjʊərəti]	Sicherheit

For more information

WEBSITES

- UK Insolvency: www.insolvency.gov.uk
- US Bankruptcy: www.uscourts.gov/bankruptcycourts.html

For more practice: www.business-spotlight.de/vocabulary

Langenscheidt live: feasibility study – Durchführbarkeitsstudie f

A study carried out to determine whether or not an idea is profitable, as well as to identify the necessary conditions and means for it to become so.

Studie, mit der man feststellt, ob eine Idee durchführbar ist und ob es sich lohnt, diese Idee zu verwirklichen. Die Studie beinhaltet ebenfalls die Voraussetzungen und Mittel, die zur Verwirklichung der Idee notwendig sind.

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