

**Article 454.**

Within fifteen days of his appointment, the trustee is bound to deliver the official receiver a brief memorandum of the of the apparent state of the bankruptcy, of its causes and circumstances.

The official receiver shall immediately forward the memorandum to the public prosecutor of the local of First Instance.

**Article 455.**

The officers of the Court may, but only in the capacity of supervisors, go to the bankrupt and be present when the inventory is drawn up. They shall have at all times the right to inspect books, documents and papers relating to the bankruptcy. Their intervention however must not hinder the bankruptcy proceedings.



**Article 449.**

If the bankrupt has not delivered his balance sheet, the trustee shall immediately draw up a balance sheet from the books and papers of the bankrupt, and from any other information he may procure.

**Article 450.**

The trustee is authorized to interrogate and to hear the bankrupt, his clerks and employees and all other persons on all matters concerned with the drawing up of the balance sheet and with the circumstances of the bankruptcy. He must prepare a report thereon.

**SECTION 2****REMOVAL OF SEAL AND DRAWING UP OF THE INVENTORY****Article 451.**

After having requested the removal of seals, the trustee shall proceed to draw up the inventory of the bankrupt's property.

The latter shall be summoned by the trustee but the work can be proceeded with in his absence.

**Article 452.**

The trustee shall prepare the inventory in duplicate, as soon as the seals are removed. One of the copies shall be deposited with the office of the court, and the other will remain in the hands of the trustee.

**Article 453.**

The trustee may obtain help for the drafting of the inventory and the valuation of the property from whoever he thinks fit.

The statement of goods, which in conformity with Article 444 have not been sealed but have previously been valued, shall be annexed to the inventory.

**Article 446.**

The clerk of the court with the assistance of the official receiver or a justice of the peace shall remove the seals affixed to the bankrupt's books and hand them to the trustee after having ruled them off. He shall state briefly in an official report the condition in which he found them.

The seals shall also be removed from short usance bills or bills likely to be accepted, or from bills which must be protested.

These will be listed in an official statement and handed to the trustee for collection.

The official statement prepared by the trustee shall be delivered to the official receiver

The other debts shall be collected by the trustee against his receipts. The letters addressed to the bankrupt shall be handed to the trustee and opened by him.

The bankrupt shall be allowed, if present, to take part in the opening of said letters.

**Article 447.**

When the bankrupt has no other means of existence, he may claim for himself and for his family an allowance to be paid from the assets. In such cases, the allowance shall be fixed by the official receiver with the approval of the court.

**Article 448.**

The trustee shall summon the bankrupt to close his accounts and rule off the books.

A maximum delay of 48 hours shall be granted to him within to appear.

If the bankrupt fails to appear, the liquidation shall proceed in the presence of the official receiver.

The bankrupt may be present at all bankruptcy proceedings and particularly when measures are taken with a view to safeguarding the interests of the bankrupt.

**Article 442.**

The amount of the trustee's salary shall be fixed by the Limitations of the regulations established by the Ministry of Justice.

**CHAPTER 6****POWERS AND DUTIES OF A TRUSTEE****SECTION 1.****GENERAL RULES.****Article 443.**

If the seals have not been affixed before the appointment of the trustee, he shall request that this formality be completed.

**Article 444.**

On a request from the trustee, the official receiver will allow the following articles to be exempted from sealing, or remove seals from the following articles to be exempted from sealing, or remove seals which have been already affixed thereon:-

(a) Clothing, furniture and effects necessary for the bankrupt and his family;

(b) Perishable articles or those likely to depreciate in value rapidly.

(c) Articles required for the working of the bankrupt's business, when the affixing of seals to such articles would be prejudicial to the creditors.

**Article 445.**

Articles in paragraphs (b) and (c) shall be valued at once and listed.

The sale of perishable articles or those likely to depreciate in value, as well as those which can only be kept at great expense, shall be carried out by the trustee on being authorized by the official receiver. The continuation of the bankrupt's business must be similarly authorized.

**Article 437.**

When a debtor merchant absents himself or conceals the whole or part of his assets, a justice of the peace may, on being requested to do so by one or more creditors, proceed immediately with the affixing of seals. He must without delay inform the public prosecutor that he is taking such steps.

**Article 438.**

The seals shall be affixed on shops, business premises, cash-boxes, bill-cases, papers, books, effects and furniture of the bankrupt both in his business premises and in his private dwelling.

**Article 439.**

In cases of failure of General partnerships (Sherkat Tazamoni), joint stock partnership (Sherkat Mokhtalet) or proportional liability partnership (Sherkat Nesbi) the seals shall not be affixed to the personal property of general partners, partners, unless the said partners have also been declared bankrupts, either by the order which declares the company bankrupt or by special order.

Note: In cases provided for by the present and the preceding article, the property and articles not liable to distraint for debt are excepted from sealing.

**CHAPTER 5**

**TRUSTEES**

**Article 440.**

In the order of bankruptcy, or at latest, within five days from this order, the court shall appoint a person to act in the capacity of trustee.

**Article 441.**

The steps to be taken by the trustee, either with a view to preparing the statement of creditors or to informing the latter and fixing the period within which they must appear, and the general powers of the trustee in excess of those provided for by the present law, shall be fixed by a regulation of the Ministry of Justice.

**Article 431.**

The Cour that appointed the official receiver shall deal with such appeal.

**Article 432.**

The Court can always change the official receiver and have him replaced by another.

**CHAPTER 4****AFFIXING SEALS AND THE FIRST STEPS IN RELATION TO  
BANKRUPTCY.****Article 433.**

In its order adjudging a person bankrupt, the Cour shall order the affixing the seals.

**Article 434.**

The seals shall be immediately affixed by the official receiver unless the latter considers that the bankrupt's assets can be scheduled within one day, in which case he must proceed without delay to make an inventory.

**Article 435.**

If a bankrupt has failed to act in accordance with the provisions of Articles 415 and 414, the Court shall order his arrest declaring him bankrupt.

**Article 436.**

The arrest of a bankrupt may also be ordered, if it is established that he intends by his own acts to prevent the liquidation and administration of the affairs in bankruptcy.

# IRANIAN BAR ASSOCIATION.

## KANOON VOKALA DADGOSTARI

No. 101

March - April 1966

Vol. 18

قانون تجارت ایران بانگلیسی (۱۰)

(15) Commercial Code of Iran

### CHAPTER 3

#### APPOINTMENT OF OFFICIAL RECEIVER

##### Article 427.

In the order declaring a merchant bankrupt the Court will appoint a person in the capacity of official receiver.

##### Article 428.

The official receiver is bound to supervise and expedite the settlement of the affair of the bankrupt.

##### Article 429.

The official receiver shall report to the Court and disputes arising from the bankruptcy which are within the Jurisdiction of the Court to settle.

##### Article 430.

Appeal against the decision of an official receiver is only possible in cases provided for by the present law.