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**A comparative study of bankruptcy administrator system in Enterprise Bankruptcy Law  
between China and the U.S.**

In Partial Fulfillment of the Requirements  
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by

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**ABSTRACT:** The purpose of this study is to come up with practical suggestions of establishing an efficient bankruptcy administrator system in China through comparing and analyzing the bankruptcy administrator system within Enterprise Bankruptcy Law of China and Bankruptcy codes of the U.S. The study makes comparative study of the bankruptcy administrator system of China and the U.S. from the perspectives of social nature, history of development, socioeconomic condition, legislation, and judicial practice experience. The results show that China can draw lessons from the U.S. bankruptcy administrator system in mainly two aspects, enriching the types of bankruptcy administrators and enhancing the autonomy and initiative of stakeholders in the appointment stage, as well as distinguish the judicial and administrative responsibilities of the court in bankruptcy cases. These results provide feasible suggestions for China to construct a modern, market-oriented and legalized bankruptcy administrator system under the new background of the times and social-economic conditions.

## I. INTRODUCTION

This paper chose to compare the bankruptcy administrator system which is contained in bankruptcy reorganization law between China and the U.S. The reason for choosing bankruptcy law of the U.S. as the object of comparison is that the legislation of China bankruptcy law used the experience of the U.S. for reference and take US system as the model, especially the part of bankruptcy reorganization law (Ren, 2012). At present, the United States is one of the most developed countries in the world in terms of bankruptcy law. The United States Bankruptcy Law is famous for its wide range of adjustment objects, complex system design and highly normalized implementation. The current bankruptcy law of China refers to and draws lessons from the bankruptcy legal systems of various countries including the United States, in which the bankruptcy reorganization and the administrator system are innovative highlights.

In the previous research about bankruptcy administrator system of the U.S. and China, the study mainly focused on the election system, status, responsibility and reward system of bankruptcy administrator. As Wang (2010) discussed in “Several problems on the improvement of the bankruptcy administrator system”, after bankruptcy administrator system established by the new Enterprise Bankruptcy Law, the Supreme People's court makes further provisions on the appointment and remuneration of the administrator in judicial interpretation, but there are still some problems to be solved in practice. Wang (2010) put forward some legislative suggestions for the improvement of the appointment and remuneration system of managers, and thinks that the random appointment system should be improved. In order to solve the bankruptcy expenses and the remuneration payment of managers in the cases of basically no property can be broken or no remuneration can be paid, relevant funds should be set up, and a further appeal should be made for the establishment of the administrator association. Furthermore, enterprise bankruptcy is an inevitable product of market economy. It is an internal requirement for the market to realize the optimal allocation and utilization of resources (Monfort, 1997). It is also an effective way to promote the improvement of social competitiveness. The bankruptcy administrator plays a very important role in the whole bankruptcy procedure (Rapisardi and Zhao, 2010). The improvement of the bankruptcy administrator system is directly related to the realization of the purpose of bankruptcy procedure and the interests of all creditors (Zhao, 2008). Wang and Zhou (2003) gave ideas about how to modify, enrich and improve the bankruptcy administrator system in China based on the comparative analysis of the bankruptcy administrator systems in various countries and combined with national conditions. In accordance with the views of Zeng and Zhang (2007), the establishment of temporary property manager system is conducive to maintaining the stability of the bankruptcy property. In addition to the general provisions on the functions and powers of the bankruptcy administrator, special provisions should also be made in different insolvency

proceedings. Besides, the bankruptcy supervision organization shall be established to effectively supervise the behaviors of the bankruptcy administrator.

Any theory is put forward for the local problems, and any system is the norm made to solve the local legal problems. It's not advisable to only care about the reality of western theories and institutions and ignore the transformation logic behind them (Chen, 2017). Based on a large amount of past studies, this paper explores the similarities and differences of bankruptcy administrator systems between China and the U.S. from the perspective of social nature and historical development. Also, over time, judicial practice in China and the United States has further developed. On the basis of the comparative study between Chinese and US bankruptcy administrator systems, this paper puts forward suggestions for improvement of Chinese bankruptcy administrator system in line with the characteristics of the times.

This paper aims to study the bankruptcy administrator system in perspective of social nature and historical development with the comparison between China and the U.S. and come up with suggestions for improvement of Chinese bankruptcy which are in accordance with the time feature.

In the light of Chen (2017)'s views of legal research methods, the researcher should pay attention to the background and reason of the formation of legal system when conducting comparative study of law. This paper analyzes the historical transitions and development of bankruptcy administrator system in China and the U.S. includes both in early stage and modern times. Under the situation of the development of Chinese socialist market economy. The rapid economic growth puts forward higher requirements for bankruptcy law as well as the administrator system (Wang and Zhou, 2003). Reasonable and timely suggestions for improvement of bankruptcy administrator system are required.

The paper untangles and analyzes the historical development of bankruptcy law in China and the U.S. and compares bankruptcy administrator system between China and the U.S. in perspective of legislation with corresponding judicial practices in methodology part. Based on the analysis of bankruptcy administrator system in two countries and reasons behind it, the paper comes up with the findings of two suggestions to improve Chinese bankruptcy administrator system. 1) Enhancing the autonomy and initiative of stakeholders in the appointment of bankruptcy administrator and enriching the types of administrators. 2) Drawing lessons from the federal trustee system, distinguishing the judicial and administrative responsibilities of the court in bankruptcy cases.

This study contributes to the literature through applying social historical analysis and timely judicial practices into the paper. The paper focuses specifically on bankruptcy administrator system and chooses US bankruptcy law as the comparison object of Chinese bankruptcy law. The paper not only includes detailed analysis of social historical reasons which affect the development of bankruptcy administrator system, but also contains the latest information of legislation and judicial practices of both countries. The results suggest that China can enhance its bankruptcy administrator system refer to several points from the US that can be used for reference to promote the efficiency of the bankruptcy administrator system.

The remainder of the paper is organized as follows. In literature review section, the introduction and development of bankruptcy administrator system are showed and several important concepts are defined. Then, the paper analyzes bankruptcy administrator system in two countries in methodology section and explains the results of suggestions for Chinese system. After these, the paper gives the conclusion and discussion.

## **II. LITERATURE REVIEW**

### **2.1 What is Bankruptcy Administrator**

#### **2.1.1 United States Trustee Program & Bankruptcy Administrator in the U.S.**

With the exception of North Carolina and Alabama, U.S. trustees are responsible for administrative duties related to bankruptcy cases. The U.S. trustee is subordinate to the department of justice, appointed and supervised by the U.S. attorney general, and independently protects the interests of all parties involved in the bankruptcy without any economic appeal (Justice.gov., 2019).

The actions of federal trustees across the United States are coordinated by the executive office of U.S. trustees under the leadership of the chief of the office. United States Trustee Program exists to protect the integrity of the bankruptcy system by supervising case management and litigation enforcement. In Chapter 7 cases, U.S. trustee in charge of appointing interim trustee which will be the “permanent” case trustee after the first creditor meeting. In Chapter 11 cases, US trustee need to conduct the first meeting of creditors but in most cases no need to appoint the trustee. Its main responsibilities are monitor and supervise bankruptcy cases to make sure they are compliant with the Bankruptcy code. The U.S. trustee is responsible for supervising the debtor's business operations and submitting operational reports and fees. Also, US trustees have functions of reviewing and deciding reorganization plans and disclosure documents, designating and supervising creditor committees, supervising the process of bankruptcy cases, conducting bankruptcy audits and other relevant issues (Justice.gov., 2019).

The bankruptcy administrator program was established by Congress in 1986. Bankruptcy administrator has similar functions with the US trustee. Only in Alabama and North Carolina bankruptcy administrator in charge of monitor bankruptcy cases. There are six judicial districts in Alabama (includes Northern District of Alabama, Middle District of Alabama and Southern District of Alabama) and North Carolina (includes Eastern District of North Carolina, Middle District of North Carolina and Western District of North Carolina) which have bankruptcy administrator offices. These particular offices in charge of supervising and managing bankruptcy cases, maintaining the group of private trustees, also monitoring the conduct as well as transactions of the related parties in bankruptcy cases (Hertzberg & Weingarten, 1974). In addition, as Justice.gov. (2019) showed, bankruptcy administrators also have functions of approving the credit counseling agencies and education providers for debtors in their districts. Then bankruptcy administrators maintain the list of credential agencies and education providers that are approved. In the perspective of administrative management, by judicial district, bankruptcy administrators need to issue the detailed statements of administrative expenses.

### **2.1.2 Bankruptcy Administrator System in China**

According to Eaton, Norley, Huang, and Asimacopoulos (2006), the bankruptcy administrator refers to the specialized organization that takes over the bankruptcy property under the command and supervision of the court and is responsible for its custody, liquidation, valuation, treatment, and distribution.

As the legal office to manage and dispose of the bankruptcy property, the duty of the bankruptcy administrator refers to the rights and obligations that the bankruptcy administrator enjoys in the bankruptcy procedure. The bankruptcy administrator shall independently complete the custody, liquidation, valuation, handling, and distribution of the bankruptcy property, but shall be responsible to the court and report the work, and shall be subject to the supervision of the creditors' meeting (Enterprise bankruptcy law of the People's Republic of China, 2008).

What is unique in China, is a special enterprise form called state-owned enterprise which is only owned by socialist countries. In the past, when state-owned enterprises went bankrupt, there was usually a government liquidation group to take over. The liquidation group is composed of people's court, finance, audit, industry and commerce, taxation, bank, competent unit, and other departments (Eaton et al., 2006).

	The U.S.	China
Functions	<ol style="list-style-type: none"> <li>1. supervising &amp; managing bankruptcy cases,</li> <li>2. maintaining the group of private trustees,</li> <li>3. monitoring the conduct and transactions of the related parties in bankruptcy cases,</li> <li>4. approving the credit counseling agencies and education providers for debtors in the districts.</li> </ol>	The bankruptcy administrator shall independently complete the custody, liquidation, valuation, handling, and distribution of the bankruptcy property under the command and supervision of the court, but shall be responsible to the court and report the work, and shall be subject to the supervision of the creditors' meeting.
Unique parts	North Carolina and Alabama	1986 Enterprise Bankruptcy Law – Liquidation Team 2006 Enterprise Bankruptcy Law – Bankruptcy Administrator

Table 1. The comparison of the general concept of bankruptcy administrator system between China and the U.S.

## 2.2 Why Bankruptcy Administrator / Trustee Exists

The bankruptcy administrator system is a very important system in the bankruptcy law of various countries. The purpose of this system is to try to liquidate the nonexempt part of the debtor's asset and deal with the affairs related to the debtor's property by professionals who are familiar with the bankruptcy business in the process of bankruptcy proceedings, especially to protect the creditor's interests (Frieden & Wielenberg, 2017).

In bankruptcy cases, the management and liquidation of bankruptcy property are heavy and complicated. A large number of legal affairs are mixed with non-legal affairs with strong professionalism and technicality, which are far beyond the competence of human and material resources of the court. Moreover, as an independent judicial organ, the court has the nature of public law, but the management, price change and distribution of bankruptcy property are private law affairs. It is not for the court to deal with it (Ren, 2011).

## 2.3 The Development History of Bankruptcy Administrator System

In the bankruptcy legislation or commercial law code of various countries, there are corresponding provisions on the bankruptcy administrator system. The origin of the bankruptcy administrator system can be traced back to ancient Roman times. At that time, the self-help of creditors prevailed. After the creditors win the lawsuit, they can realize their rights through self-enforcement, so there is no difference between bankruptcy procedure and individual enforcement procedure. In addition, the creditor can pay off the debt by executing the debtor personally (for example, the freedom, reputation, body, and life of the debtor can be the object of execution, and even most creditors can dismember the debtor's body to achieve the purpose of fair distribution). Later, the property execution system, which takes the abandoned property as the main way, was gradually established and developed. The judge may, at the request of the creditor, issue a management order (*missio*) allowing the creditor to possess all the debtor's property. The order shall be published, and other creditors may participate in the management of the debtor's property and obtain distribution (Levinthal, 1918).

This kind of system is regarded as the origin of the bankruptcy system. However, the property management order here is only equivalent to today's bankruptcy declaration. As Levinthal (1918) stated, how to keep, change and distribute the property after that, and the order of distribution, etc. are handled by the creditors themselves, which is called creditor self-help doctrine. At the same time, the law also provides that, 30 days after the debtor's property is declared to be in the possession of the creditor, the creditor may apply to the court for the change of the property price to select Magister, the property manager, as the special person in charge of the auction property, and adopt an all-inclusive auction method. However, in fact, it takes a long time for the court to issue a property management order until the property is distributed at a variable price. There should be a special person in charge of the debtor's property, so sometimes the property manager is also responsible for the management. Therefore, Magister has included the content of the bankruptcy administrator. The Magister system of Roman law is actually the beginning of the bankruptcy administrator or bankruptcy liquidator system.

After the Roman imperial era, the general auction of bankruptcy property was changed to the individual auction. Its procedure was more complicated and took longer than the general auction. Legislation requires the appointment of a curator, which is now the equivalent of a bankruptcy administrator. Then, the jurisdiction of dealing with bankruptcy cases gradually belongs to the court. However, after the bankruptcy declaration, the management and liquidation of the bankruptcy property is complex and heavy, and a large number of legal and non-legal affairs are involved in it, so it is far beyond the competence of the court's human and material resources, so it is still necessary to establish a special liquidation organization (Noel, 1919). This system continues and develops to this day, and then forms the contemporary bankruptcy administrator system.

The bankruptcy administrator is the most important organization in the bankruptcy procedure. It manages all kinds of affairs in bankruptcy specifically. Other offices or organizations in the process of the bankruptcy procedure only play the role of supervision or assistance. Whether the bankruptcy procedure can be successfully carried out and terminated on the basis of fairness, fairness and efficiency are closely related to the activities of the bankruptcy administrator, which is also called the liquidation group (Martin, 2005).

### **2.3.1 Overview of the Development History of US Bankruptcy Law**

The American bankruptcy law is directly inherited from Britain. In the colonial period, the British colonists applied the British bankruptcy law in North America. In order to attract immigrants, the early colonial rulers adopted policies in favor of debtors, for example, stipulating that farmers could use agricultural products instead of money to repay debts and extend the repayment period to the harvest season. The creditors at that time were mainly overseas. Later, with the prosperity of the economy, local creditors increased day by day, and they became powerful interest groups. Therefore, the policy of bankruptcy law goes back to the traditional position that default is a crime in British law. By the time of the war of independence, the debtor prison had been in operation in North America for about 100 years.

In 1776, the United States declared independence. The constitution of the United States, which came into force in 1789, states in Article 1, paragraph 8 that Congress "shall make uniform laws applicable to bankruptcy matters throughout the United States.". This makes the U.S. bankruptcy law unified federal legislation from the very beginning. In April 1800, the first federal bankruptcy law was enacted. This law system was made in accordance with the British bankruptcy law at that time, only applicable to businessmen, and implemented the punitive principle. After the promulgation of the law, a large number of debtors were in prison, so it was abolished in 1803. In 1841, the second federal bankruptcy law was promulgated, which established the non-merchant bankruptcy procedure and adopted the legislative policy of protecting the debtor. The law was

repealed in 1843 because it was too kind to debtors. In 1867, the third federal bankruptcy law was promulgated, which has two procedures: voluntary application and involuntary application, and a reconciliation system and a bankruptcy property management system (Countryman, 1976).

The fourth federal bankruptcy law was enacted in 1898. In 1932, on the basis of many previous amendments, the eighth chapter was added to stipulate the conditions of relief for the debtor. Under the 1898 bankruptcy law, bankruptcy courts were also established as part of the Federal District Court. In 1938, Congress passed the Chandler act, which revised the bankruptcy law comprehensively. Among them, what is particularly striking is the general enterprise reorganization system formed after the revision, which is composed of Chapter 10 "company reorganization" and Chapter 11 "debt repayment arrangement". In the 1950s and 1960s, the law underwent several major amendments (Skeel, 2003).

### **2.3.2 Overview of the Development History of Chinese Bankruptcy Law**

Historically, China has been in the natural economy for a long time, and the commodity exchange is underdeveloped. Therefore, there is no legislation on commercial and other market subjects in law, and there is no bankruptcy law.

After the Opium War, in order to strive for independent judicial sovereignty, fight against foreign consular jurisdiction, and at the same time, in order to change law and strengthen the law, China began a large-scale law project bankruptcy law in the period of the Manchu Dynasty. In 1906, referring to foreign laws and combining with China's reality, the Manchu Qing Dynasty formulated the Bankruptcy law of Qing Dynasty in order to supplement the contents of the Qing Dynasty commercial law. Its legislative purpose is mainly to eliminate the cheating of bankrupts. Its main contents can be divided into: reporting bankruptcy, electing directors, the meeting of creditors, settling accounts, disposing of property, cheating, paying off cases of extension and sale, supplementary provisions, etc (Chen, 1999).

As Chen (1999) demonstrated, the guiding ideology of the legislation of the Qing Dynasty is mostly influenced by Japan. In terms of applicable objects, the bankruptcy law adopts the Japanese legislative model, which stipulates that the application objects include not only businessmen but also other people. Article 8 of the bankruptcy law stipulates that "although non-businessmen are involved in voluntary bankruptcy due to debts, they can also submit to the local officials for handling according to this law. After the implementation of the bankruptcy law, due to the major differences between the parties in the provisions of Article 40, the Ministry of commerce finally postponed the implementation of this article. In 1908, the Qing government expressly abolished the Bankruptcy Law of Qing Dynasty.

In 1915, the Beiyang government drew up the draft bankruptcy law with reference to the provisions of the bankruptcy law of Germany and Japan, which consists of three parts: substantive law, procedural law, and penalty rule, totaling 337 articles. However, in the process of making the law, it was greedy for complete theory, lacking an in-depth understanding of China's national conditions and seriously divorced from reality, so it was not promulgated and implemented (Chen, 1999).

In 1933, the ruling group of Chiang Kai Shek formulated and promulgated the Interim Regulations on debt liquidation, which divided specific chapters into 68 articles in total. The characteristics of the regulation are: adopting the system of compulsory reconciliation, which is only applicable to businessmen. The bankruptcy law promulgated in 1934 systematically summarized the past legislative experience and absorbs and adopts the common practice of foreign countries. The law is divided into four chapters, in a total of 159 articles. This is the first bankruptcy law in effect in China (Chen, 1999).

Development History	The U.S.	China
Origin	British Colonization	Opium War
Modern Times Bankruptcy Law Development Process	<ol style="list-style-type: none"> <li>1. policies in favor of debtors</li> <li>2. 1789, “Congress shall make uniform laws applicable to bankruptcy matters throughout the United States”</li> <li>3. 1800, the first federal bankruptcy law was enacted</li> <li>4. 1841, the second federal bankruptcy law</li> <li>5. In 1867, the third federal bankruptcy law</li> <li>6. The fourth federal bankruptcy law was enacted in 1898</li> <li>7. 1938, Chandler act, revised the bankruptcy law</li> </ol>	<ol style="list-style-type: none"> <li>1. 1906, “Bankruptcy law of Qing Dynasty” was formulated by Manchu Qing Dynasty</li> <li>2. 1908, Bankruptcy law of Qing Dynasty was abolished by Qing government</li> <li>3. 1915, the beiyang government drew up the draft bankruptcy law</li> <li>4. 1933, the ruling group of Chiang Kai Shek formulated and promulgated the Interim Regulations on debt liquidation. This is the first bankruptcy law in effect in China</li> </ol>

Table 2. The development history of Bankruptcy Law in the U.S. and China

## 2.4 Defining Important Concepts

In addition, there are some important concepts in this paper that need to be defined.

### 2.4.1 Comparative study

A comparative study in the specific area of law called comparative jurisprudence or comparative law. Comparative Law refers to the knowledge of comparative law and the method of the comparative study of law. Comparative law is a branch of law that conducts comparative research on laws of different countries, including the comparative research between domestic laws and foreign laws or between different foreign laws (Chen, 2017).

### 2.4.2 Enterprise bankruptcy

Enterprise bankruptcy (or corporate bankruptcy) refers to the enterprise's behavior that due to the poor management in the process of production and operation when the debt reaches or exceeds all the assets it owns, it can't pay off the debts due and can't pay off the debts (Tang, 2006). According to Enterprise Bankruptcy Law of the People's Republic of China (2008), Article 2 of the bankruptcy law stipulates that the scope of application of the bankruptcy law is enterprise legal person, which includes not only state-owned enterprise legal person but also other enterprise legal persons with limited liability (p.1, 2).

### 2.4.3 Legislation

Legislation in this particular study refers specifically to the legislation of bankruptcy code. According to Franks, Nyborg, & Torous (1996), Bankruptcy law through legislation includes law

articles and amendments. In China, officially judicial interpretation can also be used during legal practices. In the U.S., case law can play an authoritative reference role in judicial practice (Yin and Zhang, 2009).

#### **2.4.4 Judicial practice**

Judicial practice with Chinese characteristics refers to the special activities of state judicial organizations and their staff to deal with cases in accordance with legal functions, powers and legal procedures (Tang, 2006). In the U.S., judicial practice refers to 1) the court's activities of applying the law in solving specific cases. 2) The tendency of courts to resolve certain categories of cases, which takes into account the decisions of courts, mainly those of higher courts, which have gained legal effect. The judicial practice is seen as the source of law and as the creator of new regulations, for example, in the form of precedents. Therefore, in resolving a specific case, the court may invoke a judgment in a similar case, which is published in an official book of jurisprudence (Yin and Zhang, 2009).

#### **2.4.5 The U.S. Trustee**

The full-time staff appointed by the office of the U.S. trustee or the court or elected by the creditors' meeting to be responsible for the reorganization or liquidation of the enterprise in the bankruptcy cases. As a trustee, bankruptcy trustee has very important fiduciary duties, and to a large extent, it is responsible for the whole bankruptcy system and the public (Tabb, 2010).

### **III. METHODOLOGY**

The research adopted the method of comparative study of law (comparative jurisprudence method), analytic jurisprudence method to make a profound and systematic research on similarities and differences of the bankruptcy administrator system between China and the U.S. in the perspectives of social nature and historical development with the purpose to be helpful for the perfection of legislation and to give guidance to the judicial practice in China.

The comparative study of law refers to the comparison between Chinese law which belongs to the civil law system and American law which belongs to the common law system. With the systematizing function of comparative jurisprudence, the research starts with the integrity of the system. It combines analysis and synthesis, qualitative and quantitative research, accurately deals with the dialectical relationship between the part and the whole, scientifically grasps the system, and achieves the overall optimization. Also, from specific analysis to the results of suggestions at the general level.

There are two types of data being used in this paper, which are 1) data from the primary authority of law and 2) data from the second authority of law. For the former, data are collected from China's Enterprise Bankruptcy Law, the U.S. Bankruptcy codes, caseload statistics data tables released by United States Court and judicial interpretations of Enterprise Bankruptcy Law made by Supreme People's Court and Supreme People's Procuratorate which also have the force of law. For the latter, data are obtained from the commentary from nongovernment bodies as well as the reports and journals which are related to the research question.

### **IV. RESULTS**

#### **4.1 Enhance the autonomy and initiative of stakeholders in the appointment of bankruptcy administrator, and enrich the types of administrators.**

In the traditional sense, the bankruptcy administrator in the U.S. refers to the administrator who presides over the bankruptcy liquidation, with a few exceptions in the reorganization process, and the federal trustee is responsible for the selection and appointment of the case trustee in the specific bankruptcy cases. Prior to the appointment of the interim trustee, the federal trustee will consult with all interested parties on the selection of the case trustee, usually including debtors, official committees, lenders before and after the application and other key creditors. These stakeholders can also make their own recommendations, but the final result is determined by the federal trustee independently (Gebbia-Pinetti, 2000).

In China, there are three ways to appoint the bankruptcy administrator: lottery, competition, and recommendation. Creditors and debtors have no right to speak for the former two ways to appoint the administrator, while the recommended method is only applicable to the bankruptcy cases of commercial banks, securities companies, insurance companies, and other financial institutions which have been cleared and liquidated by the administration, and the people's court accepts financial supervision and management institutions Recommend (Chen, 2016). In theory, communicating with stakeholders about the selection of managers in advance is conducive to enhancing the trust of all parties, so as to improve the efficiency of bankruptcy proceedings.

In the practice of bankruptcy trial in China, there has been a flexible way that the creditors recommend the administrator from the administrator's name list, and then the people's court designates the administrator according to the recommendation results. However, this way may lead to the loss of the administrator's neutral position, and even lead to power rent-seeking (Tang, 2006). The way to balance is to expand the scope of application of the recommended selection mode through the top-level design of legislation, at the same time, learning from the U.S. bankruptcy law mode, listening to the opinions of all stakeholders as much as possible when designating, and finally determining the final administrator by the court.

In addition, when the case trustee is appointed in the reorganization process, the federal trustee will set the necessary skill combination requirements, such as lawyers with experience in complex financial litigation, individuals with rich experience in fraud investigation, etc. The minutes of the national court bankruptcy trial work meeting in China put forward the requirements for improving the structure of the administrator team, which should also be combined with the trial situation of the case to specifically analyze the selection criteria of the administrator in the case (Tabb, 2010).

In the reorganization proceedings of the United States, the trustee not only has the relevant management ability but also focuses on the requirements of the ability to pursue the debtor's dishonest behavior, because the appointed trustee of the reorganization case in the United States is an alternative designation when the debtor violates the fiduciary obligation. In China's reorganization cases, managers' ability needs may be more inclined to save troubled enterprises and integrate resources (Ren, 2011). To avoid the conflict of interest of the administrator, the U.S. bankruptcy law requires the appointed trustee to disclose the relationship with all stakeholders, including the federal trustees, in order to increase the transparency of the proceedings.

Due to most of the bankruptcy cases in China adopt the way of designating the administrator by lottery, although the legislation also stipulates the situation that the administrator should avoid and the obligation to avoid actively, but in practice, the administrator almost does not actively disclose whether there is a conflict of interest between the administrator and the interested parties, while the court actively reviews the independence and objectivity of the administrator, which costs a lot of judicial costs. It is not easy to operate in China, so we can learn from the disclosure obligations of the U.S. administrator in the practice of bankruptcy cases, and provide corresponding explanations in the cases (Xu, 2008).

	The U.S.	China
In the Conventional Sense	the administrator who presides over the bankruptcy liquidation	In the past law prior 2007, there's only bankruptcy liquidation team
Election of Bankruptcy Administrator	All stakeholders participate in, but final result is determined by the federal trustee independently	Three ways: lottery, competition and recommendation. Creditors and debtors have no right.
Suggestions for Chinese Bankruptcy Administrator System	Through the top-level design of legislation, the scope of application of the model of recommendation and appointment should be expanded. At the same time, the model of American bankruptcy law can be used for reference. The opinions of all stakeholders should be heard as much as possible during the designation, and the final administrator should be determined by the court.	

Table 3. The comparison of basic functions & the mode of election of bankruptcy administrator between China and the U.S.

	The U.S.	China
Requirements for Bankruptcy Trustee / Administrator	In the reorganization procedure, not only need skills of managing bankruptcy enterprise, but also focuses on the ability to pursue the debtor's dishonest behavior	The ability needs may be more inclined to save the troubled enterprises and integrate resources.
On the avoidance of administrators' conflicts of interest	The U.S. bankruptcy law requires the appointed trustee to disclose the relationship with all stakeholders, including the federal trustee	Although the legislation stipulates the situations and obligations that the administrator should evade, in practice, the administrator almost does not disclose
Suggestions for Chinese Bankruptcy	China can learn from the American administrator system in the practice of bankruptcy cases. The disclosure obligations of bankruptcy administrators shall be issued corresponding instructions in the case.	

Table 4. The comparison of bankruptcy administrator's responsibilities and obligations between China and the U.S.

#### **4.2 Draw lessons from the federal trustee system, distinguish the judicial and administrative responsibilities of the court in bankruptcy cases.**

The federal trustee system is an important part of the specialization of bankruptcy trial in the United States. Since 1978, the U.S. Department of Justice has set up the U.S. official receiver. In Washington, D.C., it has set up the general office of the federal trustee as the central

management agency of the bankruptcy administration. It has 21 branches across the country, which manage the bankruptcy affairs of the whole country and their respective jurisdictions. The mission of the U.S. Official Receiver's Office is to supervise the work and procedure of bankruptcy case management (Shepard, 1995).

The federal trustee is an executive body of bankruptcy affairs independent of judicial and legislative organs in nature. It exercises its power to protect the interests of creditors, debtors, and public interests. In bankruptcy cases, it does not seek any economic interests. Its basic functions include protecting creditors and debtors from the abuse of bankruptcy system, and it also implements important public policies, such as monitoring health care needs and records, protecting pension security, help federal and state and local governments collect unpaid taxes. At present, the system of bankruptcy justice and administration in the United States presents an obvious three-dimensional pattern: the bankruptcy judge is specialized in judicial judgment, the bankruptcy administrator (also refer to Federal trustee) is responsible for the bankruptcy management and supervision of the process and the bankruptcy administrator, as a private professional, is responsible for the daily work of specific bankruptcy cases (He, 2010).

In China's bankruptcy trial, the work of the bankruptcy judge includes the appointment of the supervisor, the coordination of the interests of the creditors and debtors, the establishment of the court coordination channel, and the maintenance of the public interests, which is similar to the duties of the U.S. bankruptcy court before the establishment of the federal trustee system, that is, on the one hand, the appointment of the bankruptcy administrator, on the other hand, the participation in the supervision of the debtors and the management of the whole bankruptcy case (Rapisardi and Zhao, 2010). In addition, it is necessary to hear a considerable part of derivative litigation and coordinate the establishment of government court docking channels, usually for the purpose of maintaining the debtor's operational value and the balance of public interests in the reorganization process.

Under this kind of power and responsibility allocation system, the bankruptcy judge integrates judicial power and administrative power, which brings about the following problems: on the one hand, it is easy to induce the abuse of power. The judge not only designates and supervises the administrator but also participates in the lawsuit as the representative of the bankrupt enterprise in the derivative lawsuit. The excessive concentration of power in the bankruptcy trial induces the judge and the administrator to form a community of interests and breeds judicial corruption. What's more, the combination of handling cases and handling affairs makes the bankruptcy judge tired of dealing with the external matters of bankruptcy trial and has to bear the responsibilities outside the trial in order to coordinate the public interests and the interests of debtors and creditors in the reorganization process. The consequences of the absence of corresponding supporting mechanisms and coordination departments are the increase of pressure on judges, low trial efficiency and the operating price of debtor value cannot be maximized for maintenance (Klee, 2009). These are the outstanding problems in China's current bankruptcy system.

In view of this, it can be considered to use the federal trustee system of the United States for reference and set up a special agency for bankruptcy affairs similar to the official receiver when conditions are ripe. The administrative organ should belong to the government departments, and the corresponding staff should belong to the civil servants. The administrative supervision responsibility in the bankruptcy trial should be divided into the relevant staff. Therefore, the judicial and administrative responsibilities in the bankruptcy trial can be further divided to improve the fairness and efficiency of the bankruptcy trial.

	The U.S.	China
Bankruptcy Administrator / Federal Trustee System	<p>Specialized U.S. bankruptcy administration.</p> <p>Mission: supervise the work and procedure flow of bankruptcy case management.</p> <p>In nature: an executive body of bankruptcy affairs independent of the judiciary and legislature.</p> <p>Basic functions: protecting creditors, protecting debtors from the abuse of bankruptcy system and implementing important public policies e.g. Federal District bankruptcy court, 75-120 out of 1300-2200 cases, high efficiency.</p>	<p>Work of the bankruptcy judge:</p> <ol style="list-style-type: none"> <li>1. appoint bankruptcy administrators</li> <li>2. participate in the supervision of the debtor &amp; the management of the whole bankruptcy case</li> </ol> <p>Problems:</p> <ol style="list-style-type: none"> <li>1. Easy to induce abuse of power</li> <li>2. The judge's pressure is great, the trial efficiency is low, and the debtor's operation value cannot be maintained to the maximum</li> </ol>
Suggestions for Chinese Bankruptcy Administrator System	<p>Establishing a special administrative agency for bankruptcy affairs.</p> <p>The agency should belong to the government departments.</p> <p>Therefore, the judicial and administrative responsibilities in bankruptcy trial can be further divided. Improve the fairness and efficiency of bankruptcy trial.</p>	

Table 5. The comparison of factors that affect the efficiency of Bankruptcy Administrator System between China and the U.S.

## V. DISCUSSION & CONCLUSION

### 5.1 DISCUSSION

#### 5.1.1 Historical background and social reasons for the formation of bankruptcy law in China and the United States

As mentioned above, the 1898 bankruptcy law has been used for a long time, but with the passage of time, the 1898 bankruptcy law has become increasingly obsolete. In fact, it is not the compilation of the bankruptcy law, but the accumulation of the long-term bills to formulate and revise the bankruptcy rules. Its language is hard and its system is messy. The most criticized feature of this law is that it endows judges with dual functions of adjudication and management, which greatly affects the justice of judges in dealing with disputes (Martin, 2005).

In 1968, Congress proposed for the first time to study the bankruptcy law. The direct cause of this proposal is the sharp increase in consumer bankruptcy cases. In June 1970, Congress organized the Bankruptcy Law Commission to study the reform of the bankruptcy law. In 1971, the Brookings Institution published a study entitled "Bankruptcy: problems, processes, reforms". In 1973, the Insolvency Law Commission published a report containing a draft proposal for a new insolvency law, which quoted the contents of the Brookings report. At this time, the issue of enterprise rescue has aroused widespread concern. In 1977, the first session of the 95th Congress adopted the report of Congress No. 95-595. The report puts forward detailed analysis and suggestions on the improvement and improvement of the reorganization system, as well as a set of legislative programs dealing with consumer bankruptcy. In 1978, President Carter signed and promulgated the Bankruptcy Reform Law, which is the current bankruptcy law of the United States. The act was later known as the insolvency code (Klee, 1978).

The bankruptcy legislation of 1978 is the result of a compilation and has modern language and a complete system. It cancels some management functions that the old law gave judges. The most far-reaching influence of this law at home and abroad lies in the new reorganization system established in Chapter 11. In recent years, the United States has made some detailed amendments to the law (Klee, 1980).

Corresponding to the historical and social reasons in the U.S. which affected the legislation of bankruptcy law, the social system and economic system with Chinese characteristics also played an important role in affecting China's bankruptcy law legislation. After the founding of new China, the socialist system was established through the socialist transformation of agriculture, industry, and commerce. Under the condition of the planned economy, due to the implementation of public ownership by the whole people, there is no bankruptcy, for certain, there will be no requirements of the bankruptcy law (Zheng, 1986). After the reform and opening up, due to the change of the economy and the diversification of the market subjects, in order to promote the development of the economy and establish an incentive mechanism under the conditions of the socialist market economy, China promulgated the bankruptcy law of the people's Republic of China and Chinese enterprises (for Trial Implementation) in 1986 (Monfort, 1997). At the same time, other laws related to the bankruptcy system are scattered in the civil procedure law and the company law. There are several deficiencies in the 1986 bankruptcy law (Trial): limitation of application scope, diversity of bankruptcy causes, improper administrative intervention (Cho, 1995).

Therefore, as Rapisardi and Zhao (2010) stated, compared with the bankruptcy law (Trial), the enterprise bankruptcy law of the people's Republic of China (hereinafter referred to as the "bankruptcy law") promulgated in 2007 has made the following adjustments and expanded the application objects. The bankruptcy law expands the application object from the original enterprise owned by the whole people to the enterprise legal person, brings the system enterprise and other private enterprises legal person into the unified application scope, adapts to the new situation development requirements, and clarifies the bankruptcy conditions.

The "bankruptcy law" of 2007 has made detailed provisions on the qualification, selection, and responsibilities of the bankruptcy administrator. In particular, it should be noted that the reorganization system can be initiated upon the proposal of the debtor, the creditor or one-tenth of the investors. For the creditor, if the enterprise has the possibility to resume its business ability, it will increase the rate of repayment, which is beneficial to the enterprise and the society, will not be affected by employment, and the state's tax revenue can also be guaranteed (Rapisardi and Zhao, 2010).

### **5.1.2 An analysis of the bankruptcy administrator system in China and the United States from the perspective of legislation and judicial practice**

From the perspective of legislation, the legal provision related to the U.S. Trustee program will be invoked from both Enterprise Bankruptcy Law and U.S. code. Firstly, in China new enterprise bankruptcy law, contents of bankruptcy administrators are stipulated in Chapter 3. As the provisions on relevant contents in the Enterprise Bankruptcy Law of the People's Republic of China (Duxiaofa.baidu.com, 2019), Article 25 the bankruptcy administrator shall perform the following duties:

Article 25 A bankruptcy administrator shall fulfill the following functions and duties:

- (1) Taking over the asset, seals as well as the account books and documents of the debtor;
- (2) Surveying the financial status of the debtor and formulating the financial statements;
- (3) Determining the internal management of the debtor;
- (4) Determining the daily expenditure and other necessary expenditures of the debtor;

- (5) Determining, before the holding of the first meeting of creditors, whether to continue or terminate the debtor's business;
- (6) Managing and disposing of the debtors' assets;
- (7) Appearing in actions, arbitrations or any other legal procedures on behalf of the debtor;
- (8) propose to convene the creditors' meeting;
- (9) other duties that the people's court deems the manager should perform.

Where there are other provisions in this Law on the duties of managers, such provisions shall apply.

The administrator must have certain professional qualities or specific qualifications to deal with the complexity of bankruptcy proceedings. Chapter 19 of the old bankruptcy law and the civil procedure law does not clearly stipulate the qualification of the administrator. Article 24 of the new bankruptcy law stipulates this, mainly emphasizes the professional qualification of the administrator. At the same time, the article makes prohibitive provisions on not being an administrator (Hu, 2009).

With regard to the formation and composition of bankruptcy administrators, chapter 3 of the enterprise bankruptcy law has made detailed provisions on the administrator. As for the emergence of the bankruptcy administrator, Article 22 stipulates that the administrator shall be appointed by the people's court. As for the selection of the administrator, Article 24 stipulates that the administrator may be a liquidation group composed of the personnel of the relevant departments and institutions or a law firm, accounting firm, bankruptcy liquidation firm and other social intermediary institutions established according to law. According to the actual situation of the debtor, the people's court may, after consulting the opinions of the relevant social intermediary institution, appoint a person who has relevant professional knowledge and obtained the qualification of practice as the administrator of the institution (Booth, 2008). Although this provision stipulates that there are three types of bankruptcy administrators, according to the selection system of the bankruptcy laws of various countries and the legislative spirit of the new bankruptcy law of our country, for the above three types of organizations or individuals, when the court appoints the administrator, it should take the intermediary agency mainly composed of law firm and accounting firm as the first choice.

Legislation of China's Bankruptcy Administrator System	
Functions and Duties	EBL, Chapter 3, Article 25 Practical responsibilities of bankruptcy cases
Selection Method	EBL, Chapter 3, Article 22 The Bankruptcy Administrator should be appointed by the People's court
Professional Qualifications	EBL, Chapter 3, Article 24 Liquidation group composed of the personnel of the relevant departments and institutions or the law firm, accounting firm, bankruptcy liquidation firm and other social intermediary institutions

Table 6. The legislation contents related to the Bankruptcy Administrator System in China's Enterprise Bankruptcy Law

According to the Federal Bankruptcy Act, United States trustees supervise the administration of cases filed under the Federal Bankruptcy Code mainly in Chapters 7, 11, 12 and 13. The following contents are on the basis of [Uscode.house.gov](http://Uscode.house.gov). (2019).

In accordance with Chapter 7, liquidation proceedings, assets that are not exempt from creditors' liability are collected and liquidated. The proceeds are distributed to creditors by a private trustee appointed under Chapter 7 to administer the debtor's property (11 U.S.C. §§701-704). Eligible debtors may be "discharged" of their debts under Chapter 7, except for certain debts that are prohibited by the insolvency law.

Chapter 11 reorganization procedures (usually related to business). Chapter 11 provides a procedure by which an individual or business can attempt to "restructure" its debts while continuing operations. The vast majority of cases in Chapter 11 are brought by enterprises. The debtor usually makes a reorganization plan with the participation of creditors and pays all or part of the debts according to the plan. A "possessor debtor" may generally continue to carry on the business prior to reorganization unless a trustee is appointed under Chapter 11 (e.g. 11 U.S.C. § 1104).

Section 1930(a)(6) of the United States Code (28 U.S.C. §1930(a)(6)) provides for a "quarterly fee" that a chapter 11 debtor plans to pay to a U.S. trustee. In essence, during the period when Chapter 11 restructuring cases are pending (i.e. before the case is closed, dismissed or transferred to another chapter), fees are charged quarterly and paid quarterly 30 days after the end of each calendar quarter. " The amount of the quarterly fee [is] calculated on the basis of a scale based on the total disbursement amount set out in section 1930(a)(6), " Expenditure "includes all payments made by or on behalf of the debtor before and after confirmation, including overheads. For example, *Tighe v. celebrity house* (at celebrity House Entertainment), 210 F.3d 995 (9th Cir. 21 April 2000). For more information on Chapter 11 Quarterly fees, contact the U.S. trustee's office in the jurisdiction where the case was filed (Trost, 1979).

In accordance with Chapter 12, the family farm and fisherman reorganization procedure allow eligible family farms or fishermen to file for bankruptcy, restructure the business of a farm or fishery enterprise, repay all or part of the enterprise's debts, and continue to operate. The "permanent trustee" designated by the U.S. trustee under 28 U.S.C. §586(b) is generally the trustee of the debtor's property until the debtor fulfills its repayment obligations under the plan confirmed by the U.S. bankruptcy court filing the case.

The "working class" reorganization procedure under Chapter 13, commonly known as working-class bankruptcy, is mainly used by individual consumers to restructure their finances according to the repayment plan that must be completed within three or five years. In order to be eligible for Chapter 13 relief, consumers have to have a regular income and must not have more than a certain amount of debt under the bankruptcy law. The "standing trustee" designated by the U.S. trustee under 28 U.S.C. § 586(b) is generally the trustee of the debtor's property until the debtor fulfills its repayment obligations under the plan confirmed by the U.S. Bankruptcy Court filing the case.

### **5.1.3 A comparative analysis of the bankruptcy administrator system / the U.S. Trustee Program between China and the United States**

The bankruptcy trustee in the United States, also known as the trustee, is the representative of the bankruptcy consortium. The trustee needs to possess, manage and dispose of the bankruptcy property (except for the case of debtor in possession mode reorganization), sue and respond to the lawsuit on behalf of the consortium (Bartell, 2019). Although China's bankruptcy administrator has no clear legal status of the trustee, the responsibilities of the administrator in China's Enterprise Bankruptcy Law (except for the reorganization cases managed by the debtor itself) in taking over,

managing, disposing of the bankruptcy property and participating in the litigation on behalf of the debtor are logically corresponding to that of the United States.

The determination and designation of the case trustee's roster is the responsibility of the federal trustee. Although creditors have certain options for the determination of the administrator, they seldom exercise them. The U.S. private bankruptcy trustee, is opposite to the federal trustee. This means that in the case that the designated or selected person is unwilling to perform their duties, the federal trustee will become the case trustee (Tabb, 2014). The name list of private trustee in the United States can be understood as the name list of administrators in China. Its members are not affiliated with the government, they can be natural persons (usually lawyers and accountants) or legal persons, and they have corresponding qualifications and ability to perform their duties, so they have no interest in the case (Xu, 2015). According to the American bankruptcy association, there are about 1,356,000 lawyers engaged in bankruptcy-related activities in the United States, compared with 325,000 in China. This data comparison reflects the urgent need to strengthen the construction of the bankruptcy administrator team in China.

The U.S. Code stipulates that the court can give reasonable remuneration to the service provided by the trustee according to the application or authority of the trustee after certain procedures, and reimburse the necessary expenses. For the factors that the court should consider when determining the remuneration, the prohibition of repeated billing, and the calculation caliber of decreasing proportion by sections (the payment proportion of the U.S. administrator's remuneration is within 5000 US dollars 25%, the US \$50-50000 10%, the US \$50000-1 million 5%, over the US \$1 million 3%) are similar to relevant laws and regulations of China (United States Courts, 2019). But according to the calculation method of the bankruptcy code, in the small and super large bankruptcy cases of the United States, the compensation limit of the administrator is far more than that of China, while the compensation of the medium-sized case is less than that of China. Under the current situation that there are many cases that can be solved without property and the assistance funds of managers are not perfect, this mode may be more conducive to the return of unpaid cases with more compensation, so as to maintain the normal operation of the industry.

#### **5.1.4 Limitations of the research**

There are mainly two two practical limitations in the research paper.

On the one hand, the research scope is relatively small. The paper mainly focused on the development, reasons for the formation, responsibilities of the bankruptcy administrator system in China and the U.S. and how it works in reality with judicial practices.

On the other hand, the shallow analysis was applied. With the limitation of time, the researcher did not have time to provide a deep analysis of such a large amount of information. Especially in the selection mechanism and remuneration system part, the researcher only conducts a little analysis at shallow depth.

## **5.2 CONCLUSION**

According to the above research, after hundreds of years of development, the American bankruptcy reorganization and administrator system has been quite mature and widely used in practice. In a certain space-time condition, it will maximize the endogenous vitality of the bankruptcy system, and gives full play to the Bankruptcy Rescue function to make numerous enterprises move towards rebirth. At present, China's bankruptcy legal system is facing unprecedented opportunities for development. In practice, new ideas, new ideas and new measures about the administrator system are emerging, providing a large number of judicial cases and samples for the top-level design of China's bankruptcy law. Combined with China's current

political and economic situation and historical and cultural situation, drawing on the relevant advanced experience of the U.S. bankruptcy system, and on the basis of external borrowing, it is of great significance to continuously tap and stimulate the potential in order to build a highly market-oriented, standardized and legalized bankruptcy legal system as well as help the construction of China's modern economic system.

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**APPENDIX A: U.S. Federal Courts—Work of the Federal Judiciary—During the 12-Month Periods Ending June 30, 2010, 2015, 2018, and 2019 (United States Courts, 2019)**

**Judicial Caseload Indicators**  
**12-Month Periods Ending June 30, 2010, 2015, 2018, and 2019**

Judicial Caseload	2010	2015	2018	2019	% Change Since 2010	% Change Since 2015	% Change Since 2018
<b>U.S. Courts of Appeals<sup>1</sup></b>							
Cases Filed	56,097	53,032	49,220	47,783	-14.8	-9.9	-2.9
Cases Terminated	59,343	53,934	50,804	47,832	-19.4	-11.3	-5.8
Cases Pending	46,816	40,913	38,481 <sup>2</sup>	38,432	-17.9	-6.1	-0.1
<b>U.S. District Courts</b>							
<b>Civil</b>							
Cases Filed	285,215	280,037	281,202	293,520	2.9	4.8	4.4
Cases Terminated	295,908	273,562	248,093	325,920	10.1	19.1	31.4
Cases Pending	285,071	340,401	395,685 <sup>2</sup>	363,285	27.4	6.7	-8.2
<b>Criminal (Includes Transfers)</b>							
Defendants Filed	100,031	79,154	84,827	90,411	-9.6	14.2	6.6
Defendant Terminations	98,445	81,372	77,915	82,615	-16.1	1.5	6.0
Defendants Pending	109,889	98,535	106,105 <sup>2</sup>	112,947	2.8	14.6	6.4
<b>U.S. Bankruptcy Courts</b>							
Cases Filed	1,572,597	879,736	775,578	773,361	-50.8	-12.1	-0.3
Cases Terminated	1,441,419	1,024,504	825,364	791,523	-45.1	-22.7	-4.1
Cases Pending	1,659,399	1,316,672	1,050,476 <sup>2</sup>	1,032,306	-37.8	-21.6	-1.7
<b>Post-Conviction Supervision</b>							
Persons Under Supervision	126,642	133,428	131,036	128,649	1.6	-3.6	-1.8
<b>Pretrial Services</b>							
Total Cases Activated	110,666	95,538	97,144	106,019	-4.2	11.0	9.1
Pretrial Services Cases Activated	109,711	94,757	96,718	105,579	-3.8	11.4	9.2
Pretrial Diversion Cases Activated	955	781	426	440	-53.9	-43.7	3.3
Total Released on Supervision	29,748	24,429	23,474	25,392	-14.6	3.9	8.2
Pretrial Supervision	28,440	23,368	22,843	24,738	-13.0	5.9	8.3
Diversion Supervision	1,308	1,061	631	654	-50.0	-38.4	3.6

<sup>1</sup> Excludes the U.S. Court of Appeals for the Federal Circuit.

<sup>2</sup> Revised.

**APPENDIX B: U.S. Bankruptcy Courts—Bankruptcy Cases Filed, Terminated, and Pending—During the 12-Month Periods Ending September 30, 2018 and 2019 (United States Courts, 2019)**

**Table F.  
U.S. Bankruptcy Courts—Bankruptcy Cases Commenced, Terminated and Pending  
During the 12-Month Periods Ending September 30, 2018 and 2019**

Circuit and District	Filed	Terminated	Pending	2018	2019	Percent Change <sup>1</sup>	2018 <sup>2</sup>	2019	Percent Change <sup>1</sup>
	2018	2019	Percent Change <sup>1</sup>						
<b>Total</b>	<b>773,375</b>	<b>776,674</b>	<b>0.4</b>	<b>816,006</b>	<b>788,667</b>	<b>-3.4</b>	<b>1,027,177</b>	<b>1,015,179</b>	<b>-1.2</b>
<b>DC</b>	<b>839</b>	<b>832</b>	<b>-0.8</b>	<b>802</b>	<b>703</b>	<b>-12.3</b>	<b>668</b>	<b>797</b>	<b>19.3</b>
<b>1st</b>	<b>21,145</b>	<b>20,884</b>	<b>-1.2</b>	<b>24,221</b>	<b>22,793</b>	<b>-5.9</b>	<b>34,206</b>	<b>32,297</b>	<b>-5.6</b>
ME	1,497	1,362	-9.0	1,633	1,618	-0.9	1,679	1,423	-15.2
MA	8,556	7,883	-7.9	8,748	8,465	-3.2	9,243	8,661	-6.3
NH	1,812	1,836	1.3	2,093	1,868	-10.8	1,971	1,939	-1.6
RI	2,242	2,047	-8.7	2,361	2,114	-10.5	1,690	1,623	-4.0
PR	7,038	7,756	10.2	9,386	8,728	-7.0	19,623	18,651	-5.0
<b>2nd</b>	<b>40,915</b>	<b>42,393</b>	<b>3.6</b>	<b>41,914</b>	<b>42,072</b>	<b>0.4</b>	<b>35,843</b>	<b>36,163</b>	<b>0.9</b>
CT	5,917	6,228	5.3	6,313	6,279	-0.5	4,191	4,141	-1.2
NY,N	5,988	6,009	0.4	6,503	5,979	-8.1	6,957	6,989	0.5
NY,E	16,144	16,680	3.3	15,611	16,111	3.2	9,204	9,775	6.2
NY,S	8,193	8,794	7.3	8,265	8,726	5.6	9,278	9,341	0.7
NY,W	4,132	4,123	-0.2	4,550	4,345	-4.5	5,526	5,303	-4.0
VT	541	559	3.3	672	632	-6.0	687	614	-10.6
<b>3rd</b>	<b>51,346</b>	<b>49,649</b>	<b>-3.3</b>	<b>51,942</b>	<b>49,717</b>	<b>-4.3</b>	<b>61,683</b>	<b>61,615</b>	<b>-0.1</b>
DE	3,231	2,936	-9.1	3,259	3,204	-1.7	5,496	5,228	-4.9
NJ	26,525	25,399	-4.2	26,963	25,406	-5.8	26,727	26,720	-0.0
PA,E	8,642	8,274	-4.3	8,828	7,995	-9.4	11,439	11,718	2.4
PA,M	5,455	5,616	3.0	5,573	5,767	3.5	7,358	7,207	-2.1
PA,W	7,483	7,420	-0.8	7,300	7,337	0.5	10,630	10,713	0.8
VI	10	4	-60.0	19	8	-57.9	33	29	-12.1
<b>4th</b>	<b>64,200</b>	<b>63,724</b>	<b>-0.7</b>	<b>66,366</b>	<b>63,378</b>	<b>-4.5</b>	<b>97,707</b>	<b>98,055</b>	<b>0.4</b>
MD	17,556	17,357	-1.1	17,414	16,932	-2.8	16,696	17,121	2.5
NC,E	6,383	5,930	-7.1	6,633	6,354	-4.2	16,248	15,824	-2.6
NC,M	3,802	3,737	-1.7	4,491	3,998	-11.0	8,706	8,445	-3.0
NC,W	3,963	3,784	-4.5	4,229	3,872	-8.4	7,208	7,122	-1.2
SC	6,660	6,730	1.1	6,823	6,971	2.2	13,631	13,390	-1.8
VA,E	17,254	17,699	2.6	17,798	17,230	-3.2	23,866	24,335	2.0
VA,W	5,435	5,619	3.4	5,308	5,331	0.4	8,574	8,862	3.4
WV,N	1,241	1,138	-8.3	1,331	1,173	-11.9	1,096	1,061	-3.2
WV,S	1,906	1,730	-9.2	2,339	1,517	-35.1	1,682	1,895	12.7
<b>5th</b>	<b>59,741</b>	<b>61,520</b>	<b>3.0</b>	<b>64,183</b>	<b>63,296</b>	<b>-1.4</b>	<b>107,502</b>	<b>105,723</b>	<b>-1.7</b>
LA,E	3,514	3,548	1.0	3,429	3,468	1.1	6,775	6,855	1.2
LA,M	1,443	1,545	7.1	1,491	1,459	-2.1	2,266	2,352	3.8
LA,W	8,489	7,981	-6.0	9,532	8,503	-10.8	21,661	21,136	-2.4
MS,N	5,103	5,350	4.8	5,230	5,269	0.7	10,714	10,795	0.8
MS,S	7,528	7,305	-3.0	6,815	7,099	4.2	11,889	12,097	1.7
TX,N	11,453	11,645	1.7	13,278	12,241	-7.8	16,575	15,977	-3.6
TX,E	5,072	5,725	12.9	5,383	5,485	1.9	8,633	8,868	2.7
TX,S	9,056	10,062	11.1	9,919	10,834	9.2	17,973	17,201	-4.3
TX,W	8,083	8,359	3.4	9,106	8,938	-1.8	11,016	10,442	-5.2
<b>6th</b>	<b>117,123</b>	<b>117,242</b>	<b>0.1</b>	<b>120,905</b>	<b>117,287</b>	<b>-3.0</b>	<b>154,548</b>	<b>154,507</b>	<b>-0.0</b>
KY,E	7,719	7,628	-1.2	7,820	7,615	-2.6	10,000	10,013	0.1
KY,W	7,391	7,713	4.4	7,621	7,120	-6.6	9,021	9,614	6.6
MI,E	24,031	24,681	2.7	24,248	23,786	-1.9	24,757	25,652	3.6
MI,W	5,823	5,743	-1.4	6,594	5,817	-11.8	8,249	8,175	-0.9
OH,N	20,392	20,315	-0.4	20,598	20,272	-1.6	19,634	19,677	0.2
OH,S	17,108	17,134	0.2	17,537	17,622	0.5	23,809	23,321	-2.0
TN,E	12,047	12,239	1.6	12,661	12,579	-0.6	19,416	19,077	-1.7
TN,M	8,818	8,533	-3.2	8,735	8,530	-2.3	15,620	15,623	0.0
TN,W	13,794	13,256	-3.9	15,091	13,946	-7.6	24,042	23,355	-2.9

<b>7th</b>	<b>88,552</b>	<b>87,967</b>	<b>-0.7</b>	<b>94,300</b>	<b>88,866</b>	<b>-5.8</b>	<b>113,261</b>	<b>112,362</b>	<b>-0.8</b>
IL,N	40,245	39,857	-1.0	43,906	41,341	-5.8	50,329	48,845	-2.9
IL,C	5,119	5,090	-0.6	5,177	4,800	-7.3	5,253	5,543	5.5
IL,S	3,638	3,276	-10.0	3,851	3,456	-10.3	5,253	5,073	-3.4
IN,N	8,954	8,984	0.3	9,489	8,348	-12.0	11,979	12,615	5.3
IN,S	13,989	14,172	1.3	14,863	14,324	-3.6	21,228	21,076	-0.7
WI,E	12,198	12,238	0.3	12,540	12,330	-1.7	15,302	15,210	-0.6
WI,W	4,409	4,350	-1.3	4,474	4,267	-4.6	3,917	4,000	2.1
<b>8th</b>	<b>48,542</b>	<b>48,276</b>	<b>-0.5</b>	<b>50,336</b>	<b>48,796</b>	<b>-3.1</b>	<b>62,660</b>	<b>62,143</b>	<b>-0.8</b>
AR <sup>3</sup>	10,642	10,678	0.3	10,878	10,981	0.9	18,043	17,742	-1.7
IA,N	1,773	1,798	1.4	1,735	1,678	-3.3	1,106	1,226	10.8
IA,S	2,793	2,989	7.0	2,788	2,771	-0.6	1,836	2,054	11.9
MN	9,880	9,845	-0.4	10,241	9,524	-7.0	10,394	10,718	3.1
MO,E	10,099	9,613	-4.8	10,816	9,930	-8.2	12,219	11,902	-2.6
MO,W	7,484	7,471	-0.2	7,769	7,618	-1.9	11,384	11,235	-1.3
NE	4,015	4,146	3.3	4,212	4,450	5.7	5,837	5,533	-5.2
ND	781	728	-6.8	825	805	-2.4	666	589	-11.6
SD	1,075	1,008	-6.2	1,072	1,039	-3.1	1,175	1,144	-2.6
<b>9th</b>	<b>123,956</b>	<b>125,347</b>	<b>1.1</b>	<b>133,837</b>	<b>128,218</b>	<b>-4.2</b>	<b>118,662</b>	<b>115,795</b>	<b>-2.4</b>
AK	452	426	-5.8	477	441	-7.5	345	330	-4.3
AZ	16,256	16,950	4.3	16,187	16,021	-1.0	18,564	19,493	5.0
CA,N	8,684	8,234	-5.2	10,984	10,387	-5.4	14,749	12,598	-14.6
CA,E	14,843	15,123	1.9	15,922	15,450	-3.0	12,521	12,194	-2.6
CA,C	37,343	37,911	1.5	40,790	38,239	-6.3	27,195	26,869	-1.2
CA,S	7,990	7,995	0.1	8,567	8,298	-3.1	6,359	6,056	-4.8
HI	1,503	1,650	9.8	1,510	1,760	16.6	2,043	1,933	-5.4
ID	3,709	3,746	1.0	3,823	3,652	-4.5	2,860	2,954	3.3
MT	1,279	1,347	5.3	1,442	1,220	-15.4	1,466	1,593	8.7
NV	9,258	9,962	7.6	9,588	9,865	2.9	7,638	7,735	1.3
OR	8,907	8,986	0.9	9,409	9,107	-3.2	9,170	9,049	-1.3
WA,E	3,605	3,500	-2.9	3,819	3,474	-9.0	3,814	3,840	0.7
WA,W	9,995	9,343	-6.5	11,167	10,126	-9.3	11,791	11,008	-6.6
GUAM	130	170	30.8	148	174	17.6	143	139	-2.8
NMI	2	4	-	4	4	-	4	4	-
<b>10th</b>	<b>42,235</b>	<b>41,514</b>	<b>-1.7</b>	<b>44,855</b>	<b>43,565</b>	<b>-2.9</b>	<b>54,264</b>	<b>52,206</b>	<b>-3.8</b>
CO	11,507	11,409	-0.9	12,688	12,218	-3.7	14,666	13,857	-5.5
KS	6,845	6,877	0.5	7,078	6,755	-4.6	13,643	13,761	0.9
NM	3,291	3,064	-6.9	3,252	3,267	0.5	1,993	1,790	-10.2
OK,N	2,634	2,632	-0.1	2,708	2,622	-3.2	1,658	1,666	0.5
OK,E	1,461	1,492	2.1	1,373	1,565	14.0	1,132	1,059	-6.4
OK,W	5,541	5,403	-2.5	5,560	5,703	2.6	6,211	5,910	-4.8
UT	9,886	9,758	-1.3	11,083	10,388	-6.3	13,910	13,280	-4.5
WY	1,070	879	-17.9	1,113	1,047	-5.9	1,051	883	-16.0
<b>11th</b>	<b>114,781</b>	<b>117,326</b>	<b>2.2</b>	<b>122,345</b>	<b>119,976</b>	<b>-1.9</b>	<b>186,173</b>	<b>183,516</b>	<b>-1.4</b>
AL,N	13,434	13,665	1.7	13,212	13,290	0.6	23,206	23,580	1.6
AL,M	8,021	8,002	-0.2	8,128	8,168	0.5	21,310	21,132	-0.8
AL,S	5,188	5,116	-1.4	4,645	4,964	6.9	11,573	11,725	1.3
FL,N	2,517	2,616	3.9	2,639	2,547	-3.5	2,465	2,535	2.8
FL,M	23,443	25,872	10.4	26,607	26,542	-0.2	28,794	28,126	-2.3
FL,S	16,458	17,829	8.3	18,242	18,369	0.7	27,351	26,810	-2.0
GA,N	30,739	29,762	-3.2	32,102	30,425	-5.2	34,591	33,929	-1.9
GA,M	8,447	8,175	-3.2	9,072	8,611	-5.1	18,947	18,514	-2.3
GA,S	6,534	6,289	-3.7	7,698	7,060	-8.3	17,936	17,165	-4.3

NOTE: Due to differences among districts in reporting intra-district transfers, the total provided above for cases pending at the end of the last Reporting Period may not equal the number obtained by adding totals for cases pending at the end of the prior period plus cases filed during the current period, then subtracting cases terminated during the current period. The United States territorial courts assume the jurisdiction of United States bankruptcy courts within their respective territories, which do not have separate bankruptcy courts.

<sup>1</sup> Percent change not computed when fewer than 10 cases reported for the previous period.

<sup>2</sup> Revised.

<sup>3</sup> The United States Bankruptcy Court for Arkansas (AR) includes both the Eastern and Western Districts of Arkansas.