

AN ACT AMENDING THE PROVISIONS OF SECTION FIFTY OF ACT NUMBERED NINETEEN HUNDRED AND FIFTY-SIX, KNOWN AS THE “INSOLVENCY LAW.”

Act No. 3962, December 02, 1932

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section fifty of Act Numbered Nineteen hundred and fifty-six, known as the "Insolvency Law", is hereby amended to read as follows:

"SEC. 50. The following are the preferred claims which shall be paid in the order named:

"(a) Necessary funeral expenses of the debtor, or of his wife, or children who are under their parental authority and have no property of their own, when approved by the court;

"(b) Debts due for personal services rendered the insolvent by employees, laborers, or domestic servants immediately preceding the commencement of proceedings in insolvency;

"(c) Compensation due the laborers or their dependents under the provisions of Act Numbered Thirty-four hundred and twenty-eight, known as the Workmen's Compensation Act, as amended by Act Numbered Thirty-eight hundred and twelve, and under the provisions of Act Numbered Eighteen hundred and seventy-four, known as the Employees' Liability Act, and of other laws providing for payment of indemnity for damages in cases of labor accidents;

"(d) Legal expenses, and expenses incurred in the administration of the insolvent's estate for the common interest of the creditors, when properly authorized and approved by the court;

"(e) Debts, taxes, and assessments due the Insular Government;

"(f) Debts, taxes, and assessments due to any province or provinces of the Philippine Islands;

"(g) Debts, taxes, and assessments due to any municipality or municipalities of the Philippine Islands;

"All other creditors shall be paid pro rata."

SEC. 2. This Act shall take effect upon its approval.

Approved, December 2, 1932.

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