

Discharge in Consumer Insolvency: Credit Card Debts

*Kuan-Ling Shen**

Abstract

This Article discusses the discharge of debtors through liquidation according to the consumer insolvency act. In order to reduce uncertainty when the act is applied, the interpretation corresponding to the intention of legislators should be first investigated and the necessity of amending legislation by analyzing practical cases should be considered as well. The consumer insolvency system should be considered and positioned under the direction of the Consumer Protection system. When the law does not provide appropriate and effective restrictions to those institutes which issue credit cards, while also protecting consumers in the later stage of liquidation, the court has to determine whether or not the loans were provided without floating interest rates or incentives, and whether or not the debtor acted in good faith without intending to abuse the insolvency system. According to the consideration mentioned above, the debtors' and creditors' interests can be balanced with the benefit of social and economic development. Discharge is the principle of liquidation in consumer insolvency law. Therefore, situations in which debtors are not discharged, should be strictly constrained.

Keywords: consumer insolvency, liquidation, discharge by judgment, exceptions to discharge, in good faith, extravagance, luxury

* Associate Professor, College of Law, National Taiwan University.
E-mail: kshen@ntu.edu.tw