Question 945) - What do Imaam Abu Yusuf RAH.? and Imaam Muhammed RAH. say about declaring a bankrupt man incapacitated?

A: They judge will only declare an interdict of incapacitation against him when the creditors seek such. He will then be prevented from buying, transacting and confession in order that he does not harm the creditors. The judge will sell his goods when he is prevented from selling. He will share the proceeds amongst the creditors in proportion to their claims. The judge will spend from the debtor's wealth upon his wife, small children and blood relations.

~ al-Quduri ~