

National Insolvency Statistics Update: Spain

Adrian Thery of Garrigues, INSOL Europe's Country Coordinator for Spain & Carlos Herrero Tejedor of Garrigues report on recent statistics from Spain.



Bankruptcy proceedings: The first two quarters since the entry into force of the Spanish transposition of the Directive (EU) 2019/1023 of 20 June 2019, on restructuring and insolvency (the "Directive"), have seen an increase on the number of bankruptcy proceedings opened by both natural and legal persons.

This is due not only to the approval of a revision of the Spanish Insolvency Act, but most importantly because of the end of the Covid regulations imposing a moratorium on the duty to file for bankruptcy, which ended effectively on June 30, 2022. Hence, q4 2022 saw a year-on year ("YoY") increase of bankruptcies opened of 133.24%, reaching a total of 5,544 new proceedings; and q1 2023 saw a 67.64% YoY increase, for a total amount of 4,895 new proceedings. Comparing q4 2022 to pre-Covid levels (i.e. q4 2019), there has been an increase of 141.67%; while q1 2023 has seen a 131.33% increase since q1 2020. Natural person bankruptcies have seen the highest increase of all, reaching 4,407 new proceedings in q4 2022 (meaning a 204.35% YoY increase and a 315.75% increase since pre-pandemic levels of q4 2019) and 3,983 in q1 2023 (meaning a 269.48% YoY increase and a 263.08% increase since pre-pandemic levels of q1 2020), whereas legal person bankruptcies have remained somewhat stable, reaching 1,137 new proceedings in q4 2022 (a 22.39% YoY increase but a 7.86% decrease since pre-pandemic levels), and 912 new proceedings in q1 2023 (a 18.93% YoY decrease and a 10.50% decrease since pre-pandemic levels). In q4 2022 all the main economic sectors show a YoY increase: industry (14.5% YoY), construction (8.5% YoY) and services (27.7% YoY). Current figures, however, are lower than (but close to) pre-pandemic levels in both q4 2022 and q1 2023.

Pre-insolvency proceedings: Year 2022, with 172 filings for the "homologation of refinancing agreements" (i.e. the Spanish pre-insolvency proceedings prior to the transposition of the Directive), shows a significant increase in pre-insolvency proceedings, both YoY (63.8% increase compared to 2021) and with regards to pre-Covid levels (34.4% increase since 2019). Furthermore, the revision of the Spanish Insolvency Act set forth a new pre-insolvency proceeding (the "homologation of restructuring plans"), which has further increased recourse to these instruments. The first seven months of 2023 have seen 225 filings for the homologation of restructuring plans, which already constitutes a 30.8% increase compared to the whole year 2022.

Solvent liquidation proceedings: The number of solvent dissolved companies in Spain reached 7,806 in q4 2022 and 8,971 in q1 2023, resulting in a YoY increase of 17.61%, and 7.34%, respectively. With respect to pre-Covid levels, solvent liquidation proceedings showed an increase of 25.36% by q4 2022, and of 26.12% by q1 2023. The most relevant sectors show different numbers with regards to solvent liquidations: industry saw a 2.64% YoY decrease in q4 2022, and a 3.61% YOY increase in q1 2023; construction saw a YoY increase in q4 2022 by 10.73% and in q1 2023 by 2.19%; and services saw a YoY increase in q4 2022 by 22.82% and in q1 2023 by 9.63%. Compared to pre-Covid levels all the sectors recorded higher numbers

Further statistics from Spain and other jurisdictions can be found on our website [here](#).