



# Insolvency & Restructuring

## Covid-19 related governmental measures

Country	Relaxation of obligations to file for insolvency	Restrictions on creditors to file for insolvency	Prolongation of time for lodging of creditors' claims	Nullifying of transactions	Other major insolvency related reforms	Entry into force / duration of changes
<b>Belarus</b>	No Covid-19 related measures.				Change in subsidiary liability. On 26 February 2018 a rule was adopted that narrowed the situations when a shareholder and/or a CEO of a bankrupt debtor could have been held liable only to cases of guilty intentional acts leading to bankruptcy. New Presidential Edict of 24 April 2020 Nr. 143 made this rule retroactive and applicable to cases heard before 25 February 2018. If such decisions have not been enforced by 26 April 2020, they may be reviewed anew with reference to newly discovered circumstances (retroactive force of the rule). If the court decision is partially enforced, the case may be reviewed in the unenforced part.	26 April 2020
<b>Bulgaria</b>	All statutory deadlines running out under the state of emergency (declared on 13 March 2020 effective through 13 May 2020) are prolonged by one month starting with 14 May 2020. Creditors are advised not to rely on the privilege.				Only the general deadline-prolongation rule exists. No particular rule on insolvency proceedings has been established.	The state of emergency was declared on 13 March 2020 by decision of the parliament and is in force until 13 May 2020.
<b>Czech Republic</b>	The debtor's obligation to file for insolvency is suspended for six months from the expiry or revocation of the state's emergency measures against the epidemic, but no later than 31 December 2020. However, the obligation to file for insolvency continues to apply to debtors who were already in bankruptcy before the emergency measures were taken against the epidemic or whose bankruptcy was not largely caused by the coronavirus situation.	Temporary protection for all debtors by disregarding insolvency petitions filed by creditors until 31 August 2020. Creditor's insolvency petitions filed during this period do not produce any legal consequences.	The insolvency court will forgive a missed deadline if it occurred as a result of the emergency measures which made claiming impossible or made it very difficult to perform.	During the emergency measures, the statutory time limits for challenging transactions are temporarily suspended.	Debtors under restructuring plans validly approved before 12 March 2020 may apply to the insolvency court for a temporary suspension of implementation of the restructuring plan. Until 31 August 2020, debtors may apply for a special moratorium. The commencement of the special moratorium does not require the consent of the majority of creditors (unlike an ordinary moratorium).	An application for a special moratorium may be made until 31 August 2020.
<b>Estonia</b>	Suspension of the company manager's obligation to file for insolvency proceedings with the court. This suspension applies during the quarantine period (from 12 March 2020) and for 2 months from the date of its revocation.	No Covid-19 related measures.			The law was passed by the parliament on 20 April 2020 amending a total of 33 laws.	The law entered into force on 7 May 2020.



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<b>Hungary</b>	No Covid-19 related measures.				Moratorium on loan repayments:	Government decree re. moratorium on loan repayments and lease contracts entered into force on 19 March 2020 and will last till 31 December 2020.
	Payment obligations related to loans paid out before 18 March 2020 to businesses or private individuals are suspended until the end of 2020. Clients who do not wish to be included in the moratorium, can voluntarily continue to pay their loan repayments. The capital, interest and charges not paid during the payment moratorium – together with interest accruing during the moratorium – must be paid after the moratorium. As a result of the moratorium, banks cannot initiate insolvency or other debt collection proceedings against non-paying debtors. It is prohibited to terminate lease agreements concerning premises engaging in certain sectors (such as tourism, catering, leisure services, gambling, film, performing arts, event planning and sports). However, this does not mean protection against insolvency proceedings if the tenant cannot pay the rent.					
<b>Latvia</b>	No Covid-19 related measures.	Restriction of creditors' right to have insolvency proceedings opened. This restriction applies until 1 September 2020.	No Covid-19 related measures.		Longer periods for new restructuring proceedings (up to 4 years) as well as the possibility to extend duration of ongoing restructuring proceedings in case of Covid-19 related difficulties to implement restructuring plan.	In force as of 28 April 2020 for the duration of the quarantine.
<b>Lithuania</b>	Suspension of the company manager's obligation to file for insolvency proceedings with the court. This suspension applies during the quarantine and for 3 months from its revocation. Important: the statutory pre-filing obligations must still be met, so that the manager must propose each creditor to conclude an agreement for financial aid.	Restriction of creditors' right to have insolvency proceedings opened. This restriction applies during the quarantine.	No Covid-19 related measures. The general rule applies, according to which claims that were lodged late can be accepted if the creditor can show an important reason for the delay.	Transactions using state financial support measures offered due to COVID-19 cannot be invalidated or challenged if the company later goes bankrupt. The possibility to invalidate or challenge other transactions remains unaffected.	Protection of ongoing restructuring proceedings: in restructuring proceedings failure by a company undergoing restructuring to implement the restructuring plan in the prescribed period as well as failure to pay due taxes do not trigger the usual termination of restructuring proceedings during the quarantine and for 3 months after its revocation.	25 April 2020 for the duration of the quarantine. Extension possible by government decree until 31. December 2020 for the relaxation of obligations to file for insolvency and for the protection for ongoing restructuring proceedings.
	Important: All Covid-19 related changes apply only to companies that have encountered financial difficulties or have become insolvent because of the coronavirus after 16 March 2020, the day when the Lithuanian government announced a quarantine regime for the country. No presumption foreseen in the law that the insolvency was caused by Covid-19.					



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<b>Poland</b>	According to the COVID-19 Act introduced in Poland, if the basis for declaring a debtor insolvent arose during the outbreak declared due to COVID-19 and insolvency occurred due to COVID-19, the period for filing the application does not start. The period for filing the application is interrupted. After that period, the 30-day period for filing an application for bankruptcy is renewed.	No Covid-19 related measures.		No restrictions on challenging or lodging a claim to make the State support measure become invalid. The COVID-19 Act indicates that the State support measure may be claimed for refund if the entity aided did not obey the law as to obtaining the aid granted.	Entrepreneurs in bankruptcy or undergoing a judicial restructuring procedure cannot to use the State support measure known as "financial shield".	13 April 2020 for an indefinite period.
	Important: All Covid-19 related changes apply only to companies that have encountered financial difficulties or have become insolvent because of the outbreak situation. The COVID-19 Act as the ground of insolvency presumes that insolvency occurred during an epidemic declared due to COVID-19. This means that, in the event of a dispute, the burden of proving the existence of a causal link between COVID-19 and insolvency occurring during the outbreak will lie with the person denying the existence of a link.					
<b>Romania</b>	No Covid-19 related measures.	On 30 April 2020 Superior Council of Magistracy decided that only debtors' claims lodged for opening of insolvency procedure will be processed by court.	Creditors' claims (appeals, oppositions etc.) against the debtors' claims for opening the insolvency procedure will not be processed during the state of emergency.	During the emergency measures, the statutory time limits for challenging transactions are temporarily suspended.	No Covid-19 related measures.	A state of emergency was enacted on 16 March 2020 and is currently in force until 14 May 2020.
<b>Slovak Republic</b>	Prolongation of the company manager's obligation to file for insolvency proceedings with the court from 30 to 60 days in case of insolvency occurring between 12 March 2020 and 30 April 2020. Suspension of an entrepreneur under temporary protection and its statutory bodies from filing for bankruptcy during the temporary protection period.	Suspension of claims for bankruptcy filed by creditors after 12 March 2020 during the debtors' temporary protection period.	The general rule applies. Failing to lodge a claim within the deadline leads to losing potential security interest and voting rights, but not the right to receive payments from the estate.	During temporary protection period, entrepreneur must prioritize common interest of creditors over his own interests, may not distribute profit or any other equity and must refrain from disposing of assets. In case of violation, transaction will be voided.	Insolvency trustees must refrain from taking any action aimed at liquidation (sale) of the assets of bankrupt debtors until 31 May 2020.	General measures caused by Covid-19 came into force on 12 March 2020.
	Temporary protection model can be applied until the end of September 2020 (the Government may prolong until the end of 2020). This is a special institution based on the "opt in" model which is granted to entrepreneurs, both legal and private entities, that have their registered seat or place of business in Slovakia, were licensed for business before 12 March 2020, were not insolvent as of 12 March 2020 and have been affected by the negative impact of the spread of COVID-19.					