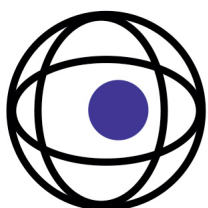


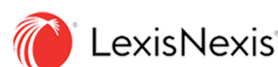
Coronavirus (COVID-19) Tracker of insolvency reforms globally

This tracker is produced in partnership with INSOL Europe who have also produced a series of webinars on the reforms. The webinars published to date (and available on demand) are available on INSOL Europe's website here: <https://www.insol-europe.org/publications/web-series>.



**INSOL
EUROPE**

In partnership with



COVID-19 Coffee Breaks Launching Soon!

Visit: www.insol-europe.org for details

Kindly sponsored by



We look at various countries which are expediting reforms to their restructuring and insolvency laws, temporarily suspending onerous insolvency law provisions, increasing limits for statutory demands, suspending enforcement powers and introducing other measures to deal with the coronavirus (COVID—19) crisis (see News Analysis: [Insolvency law in times of coronavirus \(COVID-19\)—global trends](#)).

As the situation is rapidly evolving with more countries adding new measures daily, you should contact local lawyers in the relevant jurisdiction to check the current measures in force.

Reforms of which we are aware include:

Country	Summary of change(s)	Further reading
Argentina	Relaxation of various deadlines: Pursuant to Article 14 of the Argentine Bankruptcy Law number 24522 as amended ('LCQ'), the court resolution that decrees the opening of the re-organisation proceeding must set various procedural dates until (or on) which certain relevant legal acts in the insolvency proceeding must take place, such as the date by which creditors must present their claims for verification of credits, the opportunity for the presentation of the individual and general report, and the expiration of the exclusivity period. The determination of the bankruptcy schedule means, in practice, adapting to	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Argentina

	<p>each specific case the deadlines generically determined in the LCQ.</p> <p>When?: In force now.</p>	
Armenia	<p>Requirement to file for insolvency: proposal to introduce a threshold of debts to exceed three million AMD before the state is required to file for bankruptcy.</p> <p>When?: The draft was suggested on 17 April 2020 and still needs to be discussed and approved by the RA National Assembly. If approved, it enters into force 10 days after official publication and will be effective until 31 December 2021.</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Armenia</p>
Australia	<p>Insolvent trading: Australia's Federal Government has ordered a relaxation of insolvent trading laws for six months. During this time, directors will be relieved from their duty to prevent a company from trading while insolvent with respect to debts incurred in the ordinary course of carrying on its business. This relief only relates to debts incurred in the ordinary course of business and not where dishonesty and fraud are involved.</p> <p>Temporary Increase In Thresholds and Time to Comply: Statutory demand threshold is increasing from \$2,000 to \$20,000. The time period within which to comply is going from 21 days to six months. Threshold amount for a Bankruptcy Notice to be issued is also increasing, this time from the current amount of \$5,000 to \$20,000. The government is also increasing the time within which to comply with a Bankruptcy Notice from the existing 21 days to six months. Also, where a debtor declares an intention to present a debtors petition, the moratorium is extended from 21 days to six months.</p> <p>ATO Enforcement May Be Suspended: Businesses may also seek tailored reductions in, or deferrals of, payments owing to the Australian Tax office (ATO).</p> <p>Power To The Treasurer Under The Corporations Act: The Treasurer is being given temporary instrument power in the Corporations Act 2001 to amend provisions of it to provide relief or modify obligations to enable a company to comply with requirements during this time. This power will apply for six months and any instrument made by the Treasurer will apply for six months from the date it is made.</p> <p>New virtual meeting and electronic signing provisions: The Corporations Act 2001 (Act), the Corporations Regulations 2001 (Regulations) and the Insolvency Practice Rules (IPR) are modified to allow virtual meetings (such as meetings of shareholders, creditors and those relating to managed investment schemes) and electronic execution of documents by a company for the purpose of s 127 of the Act and 'split executions' where more than one officer is signing for six months from 6 May 2020.</p> <p>When?: Now in force.</p>	<p>News Analysis: COVID-19 Australia's temporary changes to insolvency laws to support businesses during coronavirus crisis and Australia—New virtual meeting and electronic signing provisions for companies in response to coronavirus (COVID-19)</p>
Belgium	<p>Protection against compulsory bankruptcy: The Royal Decree n°15 protects the companies affected by the coronavirus (COVID-19) crisis by providing that an enterprise cannot be declared bankrupt by summons, unless by</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency</p>

	<p>initiative of the public prosecutor or the temporary administrator appointed by the president of the Enterprise Court, or with the consent of the debtor. Furthermore, the obligation of the debtor to declare its cessation of payment within one month of having met the bankruptcy requirements, is suspended during the period of suspension provided for by the royal decree n°15, if the fulfilment of the bankruptcy requirements is a result of the coronavirus (COVID-19) pandemic and its consequences.</p> <p>Protection against dissolution: Under the Royal Decree n°15, the enterprise, if it is a legal person, cannot be dissolved by the court, unless by initiative of the public prosecutor or the temporary administrator (as defined in article XX.32 BCEL) appointed by the president of the Enterprise Court, or with the consent of the debtor.</p> <p>Protection against preventive and executory attachment and other means of execution: The creditor cannot levy a preventive or executory attachment, nor can he use or proceed with any other means of enforcement on the enterprises' property, for all debts of the enterprise, including those approved in a re-organisation plan (the reorganisation plan referred to in article XX.82 BCEL falls under the preventive collective agreement procedure) before or after the entry into force of the Royal Decree n°15.</p> <p>Protection against compulsory judicial re-organisation through transfer under judicial supervision: The Royal Decree n°15 provides that the Enterprise Court cannot order the transfer of all or part of a enterprise's activities under judicial supervision by summons from the public prosecutor, a creditor, or any person having an interest in acquiring all or part of the enterprise when the debtor is in state of bankruptcy without having applied for a judicial re-organisation procedure.</p> <p>Protection of enterprises with an approved re-organisation plan: The Royal Decree n°15 sets out that the payment periods included in a re-organisation plan that is approved before or after the entry into force of the Royal Decree n°15, shall be extended for a period equal to that of the suspension referred to in this Royal Decree, if necessary with an extension of the maximum period of five years for the execution of the re-organisation plan.</p> <p>When?: Royal Decree n°15 is in force from 24 April 2020 up to and including 17 May 2020.</p>	Reforms—Belgium
Bulgaria	<p>General stay on procedural terms and suspension of court hearings: applicable to pending insolvency proceedings—the general stay, introduced by LMASE, is effective for the period of the SE and concerns all procedural terms on administrative, litigation, arbitration and enforcement proceedings, except for some urgent criminal proceedings and other administrative cases (listed explicitly in the law). This stay affects ongoing court proceedings in relation to submitted insolvency filings, and also the procedural terms at the stage of liquidation of the debtor's assets (terms for submitting tendering bids to an announced public sale, terms for challenging the assignment</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Bulgaria</p>

	<p>order, etc).</p> <p>Access to the court and serving of court documents have been suspended: the insolvency courts suspended the servicing of court documents for the period between 13 March and 28 April 2020. For the SE, access to the courts rooms and files is allowed only upon prior request and approval for each individual case.</p> <p>Suspension of the payment of loans and other financing and leasing obligations: for the duration of the SE the Amended LMASE allows private companies to lawfully suspend the payment of their bank loans and leasing obligations and provides that no interest and penalties shall be charged, nor shall this suspension constitute an event of default.</p> <p>When? the Bulgarian National Assembly declared a State of Emergency ('SE') on the territory of Bulgaria on 13 March 2020 in force (after a prolongation), until 13 May 2020. According to the official announcements of the Bulgarian government, the SE will not be prolonged past this date.</p>	
Channel Islands	<p>Various government loans: in both Jersey and Guernsey, the government has implemented various measures to ensure that people can remain in employment, businesses can remain open and can restart trading following the lifting of the current social distancing restrictions, although neither has proposed any specific insolvency reforms as yet.</p> <p>When?: In Jersey, a government statement is expected in the future to give guidance to directors of Jersey companies as to the application and enforcement of Jersey's wrongful trading rules (note that Jersey's existing wrongful trading rules are more relaxed than the equivalent UK rules).</p>	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker for Insolvency reforms—Channel Islands
Croatia	<p>Suspension of bankruptcy trigger: Reasons for bankruptcy (which are usually insolvency lasting for 60 days or indebtedness) that occurred during the time stated in the special Act, are not considered a prerequisite for opening a bankruptcy procedure. Exception is made when the bankruptcy claim is filed on the basis of safeguarding the interest of the Republic of Croatia, nature, human environment and citizens' health. These provisions also put a moratorium on the initiation of mandatory bankruptcy proceedings that FINA (Financial Agency, a Government-owned legal entity that aids Commercial and Municipal courts) initiates at the commercial court after 120 days of continuous insolvency.</p> <p>Sales of assets and enforcement proceedings suspended: A Ministry of Justice decision provides that electronic public auctions conducted by FINA for the sale of assets in court proceedings (including bankruptcy proceedings), as well as enforcement procedures on funds, are suspended until the extraordinary circumstances have elapsed. Another provision is that no default interest is due during period of its duration.</p> <p>When?: The special Act on Emergency Measures in En-</p>	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Croatia

	<p>forcement and Bankruptcy Procedures during Special Circumstances came into force on 1 May 2020. Duration of Act is set to three months from the date when it came into force, with the possibility of Government extending this period to an additional three months.</p>	
Czech Republic	<p>Relaxing directors' duty to file for insolvency and imposing a moratorium: Changes in Czech insolvency law include: (i) a preference for delivering documents by way of their publishing in the insolvency register in order to reduce the administrative burden on insolvency courts (ii) the obligation of the insolvency court to remit a procedural deadline, provided that the procedural act is missed for an excusable reason based on the extraordinary measures unless the case has already been decided (iii) the application for remission must be submitted to the court together with the missed act within seven days from the date of termination of the relevant emergency measure, but the period for the submission will not end earlier than seven days after the end of the state of emergency (iv) abolition of the obligation to file a debtor's insolvency petition as of the effect of the Act on the Mitigation of the Impact of an Epidemic and until six months after the termination of the emergency measures (however, no later than by 31 December 2020), if the insolvency occurred as a result of such a situation (vi) abolition of the obligation to file a debtor's insolvency petition as of the effect of the Act on the Mitigation of the Impact of an Epidemic and until six months after the termination of the emergency measures (however, no later than by 31 December 2020), if the insolvency occurred as a result of such a situation (vii) it will not be possible to effectively file a creditor's insolvency petition (petitions will have no legal effect) as of the effect of the Act on the Mitigation of the Impact of an Epidemic up to 31 August 2020 (viii) possibility to apply for a temporary suspension of a reorganisation plan during the effectivity of the Emergency Measures. The application is only possible in the event that a plan has been approved by 12 March 2020 at the latest and has not yet been fully performed. If granted, the reorganisation cannot be turned into bankruptcy proceedings during this period (ix) possibility to apply for a temporary suspension of a reorganisation plan during the effectivity of the Emergency Measures. The application is only possible in the event that a plan has been approved by 12 March 2020 at the latest and has not yet been fully performed. If granted, the reorganisation cannot be turned into bankruptcy proceedings during this period (x) excluding the duration of the emergency measures and a further six months from their termination to the relevant period with regards to action for the relative ineffectiveness of an act (Actio Pauliana) and (xi) a debtor-business operator who is not insolvent as at 12 March 2020 will have the opportunity to file a proposal for an extraordinary moratorium which can last (if extended) up to six months (hereinafter the 'extraordinary moratorium'); the extraordinary moratorium will be newly intro-</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Czech Republic final provisions</p>

	<p>duced directly in Act No. 182/2006 on insolvency procedures (hereinafter the 'Insolvency Act').</p> <p>When?: The Act on the Mitigation of the Impact of an Epidemic is effective as of 24 April 2020.</p>	
Denmark	<p>No legislative changes to the Danish Bankruptcy Act: No legislative changes have been made to the Danish Bankruptcy Act. However, insolvency-related legislation has been passed in order to mitigate the economic consequences of coronavirus (COVID-19), including the extension of various deadlines to: submit annual reports, apply for resumption of a company under compulsory dissolution and various tax deadlines.</p>	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Denmark
Estonia	<p>Suspension of deadlines re: obligation to submit a bankruptcy declaration / insolvency application (by the debtor): all deadlines related to the obligation to submit insolvency applications and deadlines related to claw-back actions (usually with strict deadlines for speedy bankruptcy procedures) are postponed during the extraordinary situation plus two months from termination of that situation.†</p> <p>Moratorium: There is a moratorium for all debtors during these extraordinary times + 60 days, which cannot be attacked by creditors during the crisis.</p> <p>When?: The amendment to the Estonian Bankruptcy Act is in force retrospectively from 12 March 2020 when the extraordinary situation in Estonia was declared.</p>	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Estonia
Finland	<p>Temporary limitation on creditors' right to file for bankruptcy: Pursuant to the proposal, the Bankruptcy Act would be temporarily amended so as to restrict a creditor's right to file for the bankruptcy of a debtor on the basis of an insolvency assumption. Pursuant to the current Bankruptcy Act, a debtor is deemed insolvent by the court if the debtor has not repaid a clear and undisputed claim that has fallen due within one week of the receipt of a payment reminder. Thus, as a result of the law reform, this assumption would be temporarily removed.</p> <p>Temporary amendments to the Enforcement Code: Enforcement may be postponed if this is deemed to be in the best interests of the respondent and if the postponement does not cause considerable inconvenience to the applicant. Pursuant to the proposal, the coronavirus pandemic should be taken into consideration when the enforcement proceedings are initiated and time limits are set for the applicants and debtors.</p> <p>Continuation of restructuring proceedings despite payment default: The Advisory Board for Bankruptcy Affairs issued a recommendation on 25 March 2020 proposing that the inability to repay new debts should not necessarily lead to the discontinuation of the restructuring proceedings.</p> <p>When?: The first two proposals were both approved by Parliament on 28 April 2020 and will be adopted as soon as possible. Once the law has been put into effect, the amendments will be in force until 31 October 2020.</p>	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19)—Tracker for Insolvency Reforms—Finland
France	<p>Crystallisation of the debtor's financial position: The</p>	News Analysis: INSOL

	<p>ordinance n° 2020-341 of 27 March 2020 provides that the insolvency test which would ordinarily be performed for a company as at 12 March 2020 will now be extended for three months after the state of health emergency ends on 24 May 2020 (ie until 24 August 2020). For example, if the debtor was solvent on 12 March 2020, but becomes illiquid thereafter, the debtor will, during that period, not be considered as illiquid and so not be obliged to file for insolvency.</p> <p>Adaptation of the Wage Guarantee Scheme: The debtor may want to request the opening a restructuring procedure (even though not being under an obligation to do so due to the Insolvency Ordinance), in order to benefit from the wage guarantee scheme of the Association for the Management of Employee Claims.</p> <p>Extension of the Duration of Procedures and Deadlines: eg conciliation period extended by the duration of the emergency period.</p> <p>When?: Ordinance (ordonnance) No. 2020-341 of March 27, 2020 'Adapting the Rules relating to Difficulties of Companies and Farms in the Health Emergency' (the 'Insolvency Ordinance') entered into force on 29 March 2020.</p>	Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—France
Germany	<p>Directors' duties to file for insolvency: In Germany, directors are normally required to file for insolvency without undue delay and at the latest within three weeks (21 days) after becoming illiquid or over-indebted. The federal government has temporarily suspended this requirement until 30 September 2020 (with the option to extend until 31 March 2021) due to the coronavirus crisis. This is a welcome reform to allow directors some breathing space to assess all options during this turbulent time and potentially rescue otherwise viable companies. For the suspension to apply, it must be proved that the company's insolvency is caused by the coronavirus pandemic and that the company has requested state aid or is engaged in serious financing or restructuring negotiations with reasonable prospects of restructuring.</p> <p>When?: the COVID-19 Insolvency Suspension Act (COV-InsAG) was published on 27 March in the Federal Gazette and has retrospective force from 1 March 2020 onwards.</p>	
Hong Kong	<p>New Chapter-11 style rescue: Currently, Hong Kong does not have any form of rescue procedure available to distressed companies. It has been reported that Hong Kong is reconsidering a new kind of restructuring procedure based on the US chapter 11 process, which has been resurrected in light of the pressures companies face from coronavirus. The Chapter 11-style corporate rescue bill was first discussed in 1996 by the Law Reform Commission, but it is reported that the government plans to finalise its proposal and potentially table a bill during the legislative session beginning in October 2020.</p> <p>When?: We understand that the government intends to consult on the draft bill over the next few months.</p>	
Hungary	<p>Duty to summon shareholders' meeting relaxed: nor-</p>	News Analysis: INSOL

	<p>mally, the director is obliged to summon the shareholders' meeting if the company's equity or liquidity decreased critically or it is threatened by insolvency; in that case the shareholders' meeting needs to address the situation or, as a last resort, resolve to dissolve the company without succession; this has relaxed and in certain cases the shareholders' meeting may be postponed until no later than 90 days after the expiry of the State of Danger.</p> <p>Payment moratorium: a payment moratorium until 31 December 2020 will apply with respect to all credit facilities, loans and financial leases provided in a business context. During the moratorium the borrower (who may be a natural or legal person with any exceptions specified by law) is not obliged to pay any principal, interest or fees.</p> <p>Protection of lease agreements in some sectors: Real estate lease agreements for non-residential premises cannot be terminated by unilateral termination until 30 June 2020 in the following sectors: tourism, hospitality, entertainment, gambling, the film industry, event management, sport related services and the performance artist industry.</p> <p>When?: since 11 April 2020 (shareholder meeting) and since 19 March 2020 (payment moratorium for loans already drawn under contracts existing at midnight on 18 March 2020 and protection of lease agreements).</p>	Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Hungary
India	<p>Higher threshold to initiate formal insolvency: The Ministry of Corporate Affairs, Government of India, increased the threshold for the determination of default in insolvency matters from INR One Lakh (100 Thousand) to INR One Crore (10 Million) through the amendment of section 4 of the Code (Notification dated 24 March 2020).</p> <p>Special insolvency resolution framework for MSMEs: the Government has decided to notify a special insolvency resolution framework for the MSMEs. This will be in addition to the earlier announced measures regarding the increase in the threshold for the determination of 'default' under the Code. The measures would contribute to ensuring the continuity of business operations and ensure liquidity.</p> <p>Exclusion of period of lockdown from timelines: By the issuance of various notifications, changes have been made in the subordinate legislation to exclude the period of the lockdown from the timelines under the Code. In effect, amendments have been undertaken in the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 and the IBBI (Liquidation Process) Regulations 2016.</p> <p>When?: Now in force (bar the special insolvency resolution for MSMEs).</p>	
Italy	<p>Hearings and procedural terms suspended: between 9 March and 11 May 2020. Such suspension has an impact also on terms concerning pending insolvency proceedings, Insolvency Practitioners' reports' filing and the fulfilment of their duties.</p> <p>The recapitalize-or-liquidate rule suspended: for com-</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Italy</p>

	<p>panies with a deficit calculated at accounting values has been suspended by the said Decree no. 23 until 31st December 2020. Therefore, in case of a deficit exceeding the amount of its share capital, directors' duty to liquidate a company is suspended.</p> <p>New insolvency laws postponed: from 15 August 2019 to 1 September 2021 the entering into force of the new Code of enterprises' crisis and insolvency (approved with Legislative Decree no 14 of 12th January 2019). In a situation of exceptional difficulties, such as curing the COVID-19 crisis, the uncertainties arising from the new could have created too many uncertainties.</p> <p>Preventive Composition and Restructuring Agreements extended: those approved by creditors and ratified by the courts: terms for the fulfilment of the plan expiring between 23 February 2020 and 31 December 2021 have been extended by six months; those approved by creditors but not yet ratified by the courts as on 23 February 2020: the debtor is entitled to apply to the court for obtaining a time-term to file a new plan or proposal for an agreement to creditors, or the extension of the term of fulfilment of the already approved plan.</p> <p>Bankruptcy and extraordinary administration suspended: All petitions for bankruptcy (or Administrative Winding-Up (Liquidazione Coatta Amministrativa) or Extraordinary Administration (Amministrazione Straordinaria)) filed between 9 March and 30 June 2020 – either filed by creditors or by the debtor itself - shall be declared inadmissible.</p> <p>Tax claims suspended: Recovery, precautionary and enforcement of tax claims are suspended until 31 May 2020.</p> <p>Bank and other loans: eg overdraft facilities cannot be revoked before 30 September 2020. Mortgages and loans with contractual maturity before 30 September 2020 shall be extended, together with the respective ancillary elements (such as collateral) and without any formalities, until 30 September 2020.</p> <p>When?: Law Decree 17th March 2020 no 18 converted into law from 24 April 2020; no 27 and Law Decree 8th April 2020 no. 23 will be converted into law 60 days from its publication on 8 April 2020.</p>	
Japan	<p>Ground operations for bankruptcy proceedings tweaked: no changes to the insolvency law as such, but the Tokyo District Court has decided to postpone all bankruptcy creditors' meetings that have been scheduled between 8 April and 8 May 2020 until a date 12 weeks later.</p> <p>When?: On 16 April 2020, the Japanese government issued a "Declaration of Emergency for Covid-19" (the Declaration of Emergency).</p>	News Analysis: Coronavirus (COVID-19)—Tweaks to ground operations for bankruptcy proceedings in Japan in light of COVID-19
Latvia	<p>Prohibition on submitting insolvency applications against debtors: Any creditor (including an employee or a tax administration) is precluded from submitting an insolvency application against their debtor (legal person) until 1 September 2020. The said moratorium applies to</p>	News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Latvia

	<p>any creditor-debtor relationship, hence, it is not limited to any industry or to debtors facing financial difficulties specifically due to the coronavirus (COVID-19) outbreak.</p> <p>Possibility of filing for insolvency and restructuring electronically and holding remote creditors' meetings: During the emergency situation related to the spread of coronavirus (COVID-19) (as of 30 April 2020, the emergency situation is due to end on 12 May 2020, unless extended further), an application for legal protection proceedings (tiesiskās aizsardzības process), insolvency proceedings of a legal person, and insolvency proceedings of a natural person may be submitted electronically by signing it with an electronic signature. Creditors' meetings can be held remotely both in the insolvency and legal protection proceedings, with the creditors participating and voting in the meeting through electronic means. Alternatively, a creditors' meeting can be organised by creditors submitting their votes in writing prior to the date of the creditors' meeting.</p> <p>Extended terms in restructuring proceedings: During the emergency situation related to the spread of coronavirus (COVID-19) and for six months after the end thereof in cases where an application for approval of the plan of measures of legal protection proceedings or for amending of the plan of measures of legal protection proceedings has been submitted to the court, the length of the legal protection proceedings may be set up to four years (as opposed to the pre-emergency maximum term of two years, with the possibility of further extension for two years).</p> <p>When?: The prohibition on submitting insolvency applications against debtors entered into force retroactively, since the announcement of the state of emergency (12 March 2020). The other relevant amendments to the COVID-19 Law adopted on 3 April law entered into force on 5 April 2020.</p>	
Lithuania	<p>Relaxation of filing duties: filing obligations are relaxed for managers, restrict rights for creditors to file for insolvency, protect ongoing restructuring proceedings as well as certain transactions. However, the changes apply only to companies that got into financial difficulties or became insolvent due to the coronavirus (COVID-19) measures after 16 March 2020, the date on which the Lithuanian government imposed a quarantine regime on the country.</p> <p>Restrictions on creditors filing for insolvency: The right of creditors to have insolvency proceedings opened is restricted. Protection of ongoing restructuring proceedings: failure of 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 period and for three months after its revocation.</p> <p>When?: Changes to some provisions of the Law on Insolvency of Legal Entities of the Republic of Lithuania ('Insolvency Law') entered into force on 25 April 2020, but apply</p>	<p>News Analysis: INSOL Europe/LexisNexis COVID-19 Tracker of insolvency reforms—Lithuania</p>

	retrospectively from 16 March 2020.	
Luxembourg	<p>Directors' duties to file for insolvency: The Luxembourg Government issued the Grand-Ducal Regulation of 25 March 2020 suspending the statutory requirement for directors to file for bankruptcy proceedings within one month of insolvency. However, the obligation will be revived as soon as the state of emergency is over. various other governmental aid is available.</p> <p>When?: Effective from 26 March 2020 onwards.</p>	News Analysis: INSOL Europe/LexisNexis COVID-19 Tracker of Insolvency Reforms—Luxembourg
Netherlands	<p>New scheme style rescue: Last year, draft proposals for a new type of scheme were submitted to Parliament on 8 July 2019. The draft Bill allows for global restructurings as it features elements of the US Chapter 11 (such as a cram down mechanism and moratorium) and the UK scheme of arrangement (such as implementing a plan outside of formal insolvency proceedings).</p> <p>The Dutch Scheme (the Act on the Confirmation of Private Plans, otherwise known as WHOA (Wet homologatie onderhands akkoord)) claims to be a state-of-the-art restructuring procedure as it is simple, fast, flexible, reasonable and cost-efficient. It would be a procedure that remains outside of formal insolvency proceedings. Instead, it merely facilitates a procedure where the court can be requested to confirm the plan (where a majority can bind a minority within each class) and it can be imposed on dissenting classes (cram down).</p> <p>One of the flexible elements of the draft Bill is the provision of an option to choose between a public and a confidential procedure. Only the public procedure will be placed on Annex A of the Recast Regulation on Insolvency 2015/848, Regulation (EU) 2015/848 (the Recast Regulation on Insolvency) and (thus) applies only when the centre of main interests (COMI) of the debtor is located in the Netherlands. The confidential procedure will fall outside the Recast Regulation on Insolvency.</p> <p>When?: the Dutch Parliament's House of Representatives (Tweede Kamer) passed the Act re the Dutch Scheme(WHOA) on 26 May 2020 and next is the vote in the Senate. The Act is still on track to enter into force on 1 July 2020.</p>	News Analysis: The new Dutch scheme
New Zealand	<p>Safe harbour: new 'safe harbour' provisions apply to all companies set up, and to all decisions made, before 3 April 2020 and provide directors with shelter from various duties where (i) the company is facing or is likely to face significant liquidity problems in the next six months due to the coronavirus (COVID-19) pandemic (ii) the company could pay its debts as they fell due on 31 December 2019, and (iii) the directors consider in good faith that it is more likely than not that the company will be able to pay its debts as they fall due within the next 18 months.</p> <p>Business debt hibernation (BDH): The new business debt hibernation scheme gives businesses short term relief from their debts. If it meets certain conditions, a business can deliver a notice to the Registrar stating that its board has agreed to enter into BDH. The business will</p>	News Analyses: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of insolvency reforms—New Zealand (update) and Coronavirus (COVID-19) New Zealand—'Safe harbour' for company directors and business debt hibernation—what do these proposed changes mean for you and your business?

	<p>then enter into a protected period during which creditors (with some exceptions) will not be able to take any enforcement action. In that month, the business will have the opportunity to put forward a proposal which, if approved by a majority of creditors (in number and value), will extend the protected period for a further six months. The proposal can postpone debts or reduce payment of debts during the six month period, but it cannot cancel debts or limit the rights of creditors after the end of the period.</p> <p>When?: Now in force.</p>	
Poland	<p>Suspension of duty to file for insolvency: Anti-Crisis Shield 2.0 has suspended the 30-day deadline for filing a petition for bankruptcy. Specifically, the 30-day period will not commence while the state of epidemiological threat or an epidemic exists (the state of the epidemiological threat was declared by the government on 14 March 2020), and is suspended if commenced. When the state of epidemiological threat or epidemic comes to an end, the 30-day deadline for filing a petition for bankruptcy recommences.</p> <p>Stay of judicial/procedural time limits: As a general rule, procedural and judicial time limits do not commence, and those already underway are suspended for the duration of the state of epidemiological threat or epidemic due to coronavirus (COVID-19). This solution essentially applies to all proceedings (with some exceptions, including proceedings related to coronavirus (COVID-19) measures; Art. 15zzs and 15zzt of Anti-Crisis Shield 1.0). Also, time limits in substantive civil and administrative law do not commence, and those already commenced are suspended for the duration of the state of epidemiological threat or epidemic due to coronavirus (COVID-19).</p> <p>When?: Anti-Crisis Shield 1.0 entered into force on 8 March 2020, and Anti-Crisis Shield 2.0 entered into force on 18 April 2020.</p>	<p>News Analysis: INSOL Europe/LexisNexis COVID-19 Tracker of Insolvency Reforms—Poland</p>
Portugal	<p>Suspension of duty to file for insolvency: The suspension took effect on 9 March 2020 and will cease on a date that is to be set through a decree-law.</p> <p>General suspension of deadlines in urgent proceedings: according to our best understanding, deadlines in insolvency proceedings, special revitalisation proceedings (PER) and special payment-agreement proceedings (PEAP) were suspended between 9 March and 7 April 2020.</p> <p>Moratorium on credit transactions: Decree-Law n.º 10-J/2020 of March 26 2020 approved a set of measures aimed at ensuring the continued financing of families and businesses in order to prevent events of default and includes a statutory moratorium until 30 September 2020.</p> <p>When?: On 18 March 2020, the state of emergency was declared which granted the Portuguese Government the power to implement measures to prevent and contain the spread of the outbreak of coronavirus (COVID-19), and on 20 March 2020, the exceptional measures to be implemented during the term of the state of emergency were</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus COVID-19 Tracker of Insolvency Reforms—Portugal</p>

	approved by the Portuguese Government. On 17 April 2020, the state of emergency was again extended until 2 of May 2020, following which the Portuguese Government approved exceptional measures to be implemented.	
Romania	<p>General stay on the statute of limitations and a general suspension of court proceedings other than urgent cases: from 16 March 2020 until 30 March 2020. However, insolvency petitions were not on the list of cases, with some minimal exceptions.</p> <p>Moratorium for individuals: from 16 March 2020 until 15 May 2020: individuals, family enterprises, liberal professions and legal entities affected by coronavirus (COVID-19) could impose on their creditors (credit institutions and non-bank financial institutions) a moratorium on credit and leasing repayments of up to nine months.</p> <p>Relaxation of insolvency deadlines:</p> <ul style="list-style-type: none"> • deadlines for the drafting and negotiation of the concordat preventive are extended • the obligation of a debtor to declare its insolvency within 30 days of having met the insolvency requirements it will be suspended during the state of alert and another 30 days from the date this state ends • if the debtor's activity was suspended, completely or partially, during the state of emergency, the creditor must, before filing an insolvency claim, to try to amicably solve the conflict generated by unpaid claims with the debtor • reorganization: observation period is extended another 3 months – from 12 to 15 months • any enforcement proceedings regarding the current debts (from the insolvency period) is suspended during the state of alert, even if the claim has been due for more than 60 days <p>When?: On 15 May 2020, the Romanian President approved The State of Alert Act. This Act entered into force from 18 May 2020.</p>	<p>News Analyses: INSOL Europe/LexisNexis coronavirus (COVID-19) tracker of insolvency reforms—Romania (update) and INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Romania; the feared but forgotten procedure</p>
Russia	<p>Moratorium on bankruptcy proceedings: The Duma will be reviewing a draft law (expected to be adopted shortly) granting the RF Government in exceptional cases the right to impose a moratorium on initiation by creditors of bankruptcy proceedings against certain categories of debtors (entities engaged in a particular type of economic activity, or entities which have suffered most from the circumstances which resulted in the imposition of such moratorium, most likely to be airline, tourist, hospitality and catering companies), for a term to be determined by the government.</p> <p>During the term of the moratorium:</p> <p>(i) eligible debtors are no longer obliged to file voluntary bankruptcy petitions in the prescribed circumstances;</p> <p>(ii) any non-bankruptcy enforcement procedures against eligible debtors, as well as enforcement procedures by</p>	<p>News Analysis: Coronavirus (COVID-19) Russian Bankruptcy Law Developments</p>

	<p>secured creditors against collateral pledged by eligible debtors (including out-of-court enforcement procedures) are prohibited; and</p> <p>(iii) any eligible debtors' transactions falling out of the scope of their ordinary business with a value exceeding 1% of the debtor's assets shall be considered void</p> <p>When?: We understand that the new law will be enacted shortly.</p>	
Scotland	<p>Suspending enforcement actions: Accountant in Bankruptcy (AiB), Scotland's insolvency service, has announced that sale and eviction from property in ongoing bankruptcy proceedings will be suspended until further notice due to the coronavirus outbreak. New measures introduced by AiB will simplify procedures to help those seeking debt relief through bankruptcy and extend deadlines for payment of debts through the Debt Arrangement Scheme.</p> <p>Proposed raising of sequestration threshold: The Coronavirus (Scotland) (No 2) Act raises the minimum debt level that an individual must owe before a creditor can sequester (ie bankrupt) them to £10,000 and raising the upper threshold for the availability of the minimal asset process (MAP) to £25,000.</p> <p>Debtor Contribution Order (DCO) extensions: The six-week period specified to provide a proposal has been increased to 12 weeks.</p> <p>Electronic communications, signatures and virtual meetings: Various provisions assist dealing with matters remotely.</p> <p>When?: Suspension of enforcement actions are now in force. The Coronavirus (Scotland) (No 2) Act 2020 has also now come into force after receiving royal assent on 26 May 2020. The Coronavirus (Scotland) (No 2) Act 2020 brings temporary changes for five months (with the possibility of extension) during the coronavirus (COVID-19) pandemic. Its main provisions will expire on 30 September 2020, unless extended.</p>	<p>Scotland suspends sales and evictions during coronavirus (COVID-19) pandemic (LNB News 23/03/2020 68) and News Analysis: The Coronavirus (Scotland) (No 2) Act 2020—impact on restructuring and insolvency</p>
Singapore	<p>Raising the threshold for bankruptcy and insolvency: The monetary threshold for insolvency for companies and partnerships will be raised from SGD 10,000 to SGD 100,000, a ten-fold jump. For a natural person, the monetary threshold for bankruptcy will be increased from SGD 15,000 to SGD 60,000.</p> <p>Extending the response period to demands: The period for a debtor to respond to a creditor's statutory demand will be extended to six months from 21 days (in the case of individuals) and three weeks (in the case of businesses).</p> <p>Additional provisions suspend certain enforcement actions against non-performing parties and provides a temporary defence to directors against insolvent trading.</p> <p>When?: On 7 April 2020, the Singapore Government passed under a Certificate of Urgency the coronavirus (COVID-19) (Temporary Measures) Bill (Bill) in Parliament; the Bill will become law after it receives presidential</p>	<p>News Analysis: Coronavirus (COVID-19) Singapore insolvency reforms COVID-19 (Temporary Measures) Bill</p>

	assent.	
Spain	<p>Directors' deadline to file for insolvency: Spain has relaxed its strict deadline which previously required directors to file for insolvency within two months of the company becoming insolvent.</p> <p>Stay in procedural timings: If parties need a homologation court ruling to cram down dissenting lenders, they can still file the writ with the competent court, but note that it will not be resolved until the stay in procedural timings has been lifted.</p> <p>General stay: The measures around COVID-19 include a general stay on the time frames of court proceedings, including in this case insolvency proceedings.</p> <p>New rules after state of alarm lifted: Under RDL 16/2020, new rules have been implemented that will apply temporarily after the State of Alarm is lifted. During the one year period since the State of Alarm started: borrowers who had previously reached a refinancing agreement may launch a new refinancing process, borrowers with a CVA reached within an insolvency may renegotiate the CVA, upon the borrower becoming aware of a breach to an existing CVA, it will not be required to file for liquidation within the insolvency, provided that it submits a CVA amendment proposal and in any insolvencies declared within this period, any auction of assets (aside from the process in the liquidation plan if any) must be made out of court. Further, in any insolvencies declared within two years after the State of Alarm started, any funding provided by specially connected persons to the borrower (or resulting from payments made by those specially connected persons to third parties on behalf of the borrower) from the date that the State of Alarm started, will not be subordinated but rather treated as an ordinary claim.</p> <p>When?: Now in force up to 31 December 2020.</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Spain update</p>
South Africa	<p>Relaxation of fraudulent trading: On 24 March 2020, the Companies and Intellectual Properties Commission (CIPC) announced a suspension of its power to issue compliance notices to companies which the Commission has reasonable grounds to believe is trading or carrying on business recklessly, with gross negligence or for a fraudulent purpose for a period of 60 days after the declaration of a natural disaster has been lifted if the Commission has reasonable grounds to believe the business conditions were caused by the COVID-19 pandemic.</p> <p>When?: Effective from 24 March 2020 onwards.</p>	<p>News: (CIPC) announcement</p>
Sweden	<p>Government subsidies: No insolvency reforms as such, but some government subsidies are available; financial distress is a prerequisite for various types of subsidies, however companies that are the subject of insolvency proceedings or otherwise insolvent are excluded from several types of subsidies aimed at alleviating the economic impact of coronavirus, including the new rules regarding short-time working allowance and Rent-discount subsidies.</p> <p>Tax deferral: The Swedish parliament has (as a to reac-</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Sweden</p>

	<p>tion the ongoing pandemic) introduced legislation that allows the Swedish Tax Agency to grant deferral of payment of taxes that fall due between January and September 2020, for example, value added tax. A deferral period may be granted for a maximum of one year. The directors and shareholders of companies which have been granted a deferment will not be personally liable to pay the companies' tax debts, so far as the taxes that are the subject of a deferment decision are paid before the deferment period ends or measures have been taken to settle the company's debts at the latest of the new due date, after the deferment period.</p> <p>When?: Now in force.</p>	
Switzerland	<p>Suspension of duty to notify the judge in the event of over-indebtedness: The COVID-19 Insolvency Ordinance temporarily exempts the board of directors from its duty to notify the judge, provided that (1) the company was not over-indebted on 31 December 2019 and (2) there is a prospect that the over-indebtedness can be remedied by 31 December 2020.</p> <p>New COVID-19 moratorium: The new COVID-19 moratorium provides SMEs with a simple procedure to obtain a temporary stay of their payment obligations. The conditions for the COVID-19 moratorium are (1) that the SME was not over-indebted on 31 December 2019 or if there was an over-indebtedness, certain creditors subordinated their claims to those of all other creditors to the extent of the over-indebtedness, (2) that the shares of the company are not publicly traded and (3) the company did not exceed two of the following three thresholds in 2019: (i) a balance sheet total of CHF 20 million; (ii) sales revenues of CHF 40 million or more; (iii) 250 full-time employees (annual average). A moratorium may be granted for an initial period of up to three months. The court may extend the moratorium for an additional period of up to three months.</p> <p>Amendments to the existing debt restructuring regime: Companies are released from the obligation to provide the judge with a provisional restructuring plan (Sanierungsplan / plan d'assainissement) when applying for an ordinary moratorium. Furthermore, the maximum duration of the provisional moratorium which the court may grant in this context has been extended from four to six months and the ability of the court to declare a company bankrupt before the end of the provisional moratorium is limited.</p> <p>When?: On 16 April 2020, the Federal Council passed a special ordinance in relation to the Swiss insolvency and restructuring regime to protect companies who ran into financial difficulties caused by the coronavirus (COVID-19) pandemic (the COVID-19 Insolvency Ordinance). The COVID-19 Insolvency Ordinance entered into force on 20 April 2020 and will remain effective for a period of six months.</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Switzerland</p>
Turkey	<p>Amendments to enforcement and bankruptcy proceedings: Under the Decree, all enforcement and bank-</p>	<p>News Analysis: INSOL Europe/LexisNexis</p>

	<p>ruptcy proceedings except those for alimony receivables shall be suspended until 30 April 2020. In this regard, requests to initiate enforcement and bankruptcy proceedings shall not be allowed and a preliminary injunction decision shall not be enforced or executed.</p> <p>Extension of suspension period in court proceedings: Presidential Decree numbered 2480 ('2480 Decree') aiming to prevent any loss of rights in legal proceedings due to the coronavirus (COVID-19) pandemic (published in the Official Gazette number 31114 on 30 April 2020) provides that certain suspension periods are extended from 1 May 2020 until 15 June 2020. The 2480 Decree also specifies that if the pandemic is brought under control earlier than expected, the suspension decision will be re-evaluated.</p> <p>When? Presidential Decree dated 21 March 2020 and numbered 2279 ('Decree') was published in the Official Gazette number 31076 dated 22 March 2020. Under the Decree, all enforcement and bankruptcy proceedings except those for alimony receivables shall be suspended until 30 April 2020.</p>	coronavirus (COVID-19) Tracker of Insolvency Reforms—Turkey
Ukraine	<p>The following reforms have been proposed:</p> <ul style="list-style-type: none"> • Video conferencing: allowing creditors' meetings via video conferences or by written voting • Extending (throughout the quarantine period) deadlines: for preliminary bankruptcy court hearings, insolvency-related clawback actions, creditors' claims, moratorium validity, fire sales announcements, performance of a turnaround plan, duration of pending insolvency stages (ie asset management, turnaround or liquidation), and • Moratorium and other measures: throughout the national quarantine period plus an additional 90 days after the quarantine has been cancelled, to apply: (i) a temporary national moratorium on creditors filing for the debtors' insolvency (if a triggering claim originated after 1 February 2020), (ii) extended the timing for mandatory filing for insolvency, (iii) suspension of fire sales, (iv) suspension of default interest accrual over those obligations restructured under a turnaround plan and (v) availability of instalments for overdue payments under a turnaround plan <p>When? The Ukrainian Parliament passed a Draft Bill No. 3322 on May 2020 (first parliamentary hearing) amending the Insolvency Code of Ukraine .</p>	<p>News Analysis: INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Ukraine</p>
United Kingdom	<p>New rescue tools plus suspension of wrongful trading: On 20 May 2020, the Corporate Insolvency and Governance Bill was introduced into parliament to reform the UK's insolvency framework to add new restructuring tools including:</p> <p>(i) a moratorium for companies giving them breathing</p>	<p>News Analyses: Corporate Insolvency and Governance Bill, Corporate Insolvency and Governance Bill—restructuring plan provi-</p>

	<p>space from creditors enforcing their debts for a period of time while they seek a rescue or restructure;</p> <p>(ii) protection of their supplies to enable them to continue trading during the moratorium;</p> <p>(iii) a new restructuring plan, binding creditors to that plan (see News Analysis: Corporate Insolvency and Governance Bill—restructuring plan provisions).</p> <p>The proposals also include temporary changes the wrongful trading regime applying retrospectively from 1 March 2020 until 30 June 2020 or one month after the provision comes into force, whichever is later.</p> <p>When?: MPs will next consider all stages of the Bill on Wednesday 3 June 2020.</p>	sions
United States	<p>Suspending enforcement actions: The Governor of the State of New York signed an Executive Order on 21 March 2020. In part, this order provides that ‘it shall be deemed an unsafe and unsound business practice if, in response to the COVID-19 pandemic, any bank which is subject to the jurisdiction of the Department shall not grant a forbearance to any person or business who has a financial hardship as a result of the COVID-19 pandemic for a period of ninety days’.</p> <p>Chapter 11 change to definition of small business debtor: The CARES Act makes the small debtor Chapter 11 provisions accessible to a greater number of small businesses. Under the CARES Act, a debtor with aggregate debts up to US\$7,500,000 can qualify as a small business debtor—up from US\$2,725,625.</p> <p>Chapter 7 changes to current monthly income: the CARES Act provides relief for Chapter 7 and 13 debtors by removing the federal government’s coronavirus related payments from the current monthly income calculation. This amendment applies to all cases filed on, before, or after the enactment of the CARES Act and lasts for one year.</p> <p>Chapter 13 changes: The CARES Act adds ‘payments made under Federal law relating to the national emergency declared by the President under the National Emergencies Act’ with respect to coronavirus to the exclusions from the definition of disposable income. The CARES Act also provides that the debtor can modify a Chapter 13 plan after confirmation if ‘the debtor is experiencing or has experienced a material financial hardship due, directly or indirectly, to the coronavirus disease’. The CARES Act further provides that the modification can include extending the repayment period for up to seven years after the first payment under the original confirmed plan was due.</p> <p>When?: Suspended enforcement actions: now in force. On 27 March 2020, the President signed the CARES Act into law.</p>	Practice Note: Coronavirus (COVID-19): changes to US laws—CARES Act’s Effect on Bankruptcy

Key takeaways

Obviously, any counties under lock down from coronavirus may face logistical issues in making legal reforms if the relevant parliamentary body/law making body/court is running a reduced or skeleton service. However,

many insolvency professionals argue that now is the most important time to make those reforms through emergency legislation to rescue otherwise viable companies and give directors, companies and individuals sufficient breathing space.

Where the reforms include the introduction of rescue type proceedings, EU Member States should bear in mind the requirements of the directive on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures (the Harmonisation and Second Chance Directive) which requires compliance by 17 July 2021 (see Practice Note: [Harmonising insolvencies and restructurings across Europe](#)). One upside of coronavirus is that these reforms should be enacted quickly, so enhancing recovery prospects in many more countries throughout the EU.