

INSOL Europe/LexisPSL Joint Project on ‘How EU Member States recognise insolvency/restructuring proceedings commenced in third country states’—Latvia

09/03/2021

Restructuring & Insolvency analysis: This article looks at how Latvia would recognise insolvency or restructuring proceedings commenced in a third country state. In particular, it considers whether the English Part 26 scheme or Part 26A restructuring plan would be recognised in Latvia. Written by the Latvian country co-ordinator for INSOL Europe, Edvīns Draba at Sorainen, Latvia.

Q1. Has your country adopted the UNCITRAL Model law on Insolvency? If not, does it intend to do so in the near future?

No

Q2. What are your country’s private international law provisions for the recognition of insolvency proceedings commenced in countries outside of the EU Member States (ie third party states like the UK)?

On the basis of international agreements on mutual legal assistance and/or national norms of private international law, as well as the norms of civil procedure governing the recognition and enforcement of foreign judgments in general; there are no norms of private international law or civil procedure governing the recognition of foreign insolvency proceedings in particular.

Q3. Would your country recognise an English scheme of arrangement (under Part 26 of the Companies Act 2006 (CA 2006)) or an English restructuring plan (under CA 2006, Pt 26A) now post-Brexit and on what basis? (eg Lugano Convention, Hague Convention, Rome I or other private international law rules)

Judgments made with respect to an English scheme or a restructuring plan would need be recognised on the basis of norms of private international law, as well as the norms of civil procedure governing the recognition and enforcement of foreign judgments in general. Customary grounds for the refusal of recognition (e.g. lack of competence of the foreign court, which gave the ruling, to examine the dispute or conflict with the public policy (ordre public) in Latvia) would apply. The question as regards the recognition of an English scheme or a restructuring plan cannot be answered without regard to the circumstances of each particular case.

INSOL Europe/LexisNexis table of ‘How EU Member States recognise insolvency/restructuring proceedings commenced in third country states’

A table produced by INSOL Europe in partnership with Lexis Nexis (also incorporating information from Lexology Getting The Deal Through) is now available here: [INSOL Europe/Lexis/PSL Joint Project on ‘How EU Member States recognise insolvency and restructuring proceedings of a third country’: consolidated table.](#)

We look at how EU Member States would recognise insolvency or restructuring proceedings commenced in a third country, such as the UK (post-Brexit), the US, Japan, Australia or Canada. As always, you should contact local lawyers in the relevant jurisdiction to check the current measures in force.

