

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

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Restructuring & Insolvency analysis: This article looks at how Finland 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 Finland. Written by country co-ordinator for INSOL Europe, Jan Lilius, Partner at Hannes Snellman and Olli Mäkelä, Senior Associate at Hannes Snellman.

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

Finland has not adopted the UNCITRAL Model Law and we are not aware of any plans for such adoption.

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)?

Recognition of an insolvency arrangement in a Third Party State is possible only on the grounds of an international treaty or convention providing such recognition in Finland. Currently, no international provision requires complete recognition of third country insolvency proceedings in Finland.

The Nordic Bankruptcy Convention provides a legal framework for the cross-border recognition and enforcement of bankruptcies between Denmark, Sweden, Norway, Iceland, and Finland. According to the Convention, bankruptcy declared in one contracting state is recognised in all other contracting states.

Apart from the Nordic Bankruptcy Convention, there are no other treaties that Finland has entered into regarding Third Party States. There are relatively few cross-border insolvency cases in Finland relating to Third Party States where recognition would have been tested, and consequently we are also not aware of relevant court practice to draw procedural practices from. However, despite not granting Third Party State insolvency proceedings similar legal effect as domestic proceedings, certain competences of the officeholders may be recognised, for example, regarding taking over the handling of the assets.

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

Post Brexit, the UK is regarded as a Third Party State. Thus, with reference to our answer to Q2, there is no international treaty or convention providing for recognition of an English Scheme of Arrangement or Restructuring Plan.

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 available here: [INSOL Europe/Lexis/EPNL 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.

