

**SHORT UPDATE ON THE ITALIAN INSOLVENCY STATISTICS
FOR 2023 AND FIRST HALF OF 2024**

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GIORGIO CORNO – GRETA MARIANI¹

- a. **Judicial liquidation proceeding** (*liquidazione giudiziale*): there was a slight decrease in the use of judicial liquidation proceedings in 2023 (from 8,720 openings in 2021 to 7,685 in 2023)². This proceeding was used by corporations (78.9%), sole proprietorships (8.8%) and partnerships (7.6%) which mostly belong to wholesale and retail (24.1%), manufacturing (17.8%) and construction (17.4%) areas.
- b. **Non-bankruptcy insolvency procedures**: there was a sharp decline in the use of composition agreement (*concordato preventivo*) (from 1,067 openings in 2021 to 678 in 2023). Corporations (87.5%) and partnerships (6.5%) using such procedure belong to manufacturing (28.3%) and construction (17.3%) areas.
- Also the use of compulsory administrative liquidation (*liquidazione coatta amministrativa*) registered a significant reduction (from 372 in 2021 to 222 in 2023). Most enterprises (97.3%) that activated such institute are cooperatives, *consortia* and companies operating mainly in the construction (16.9%) and in the health and social welfare sector (15.5%).
- Restructuring agreements (*accordi di ristrutturazione dei debiti*) (with 335 openings) and negotiated crisis resolution settlement (*composizione negoziata della crisi*) (with almost 600 applications submitted in 2023 and more than 470 in 1q2024) registered good numbers. Most companies using negotiated crisis resolution settlement are corporations (80.3%) and belong to sectors of manufacturing (24%), wholesale and retail (20.5%) and construction (12.8%); the ones using restructuring agreements are corporations (81.5%) belonging to real estate (19.9%) and construction (18.2%) areas.
- The use of the simplified composition agreement (*concordato semplificato*), which can only be activated after unsuccessful attempts at negotiated crisis resolution settlement, was not particularly high (70 applications in 2023).
- c. Most **voluntary liquidation procedures** (*liquidazione volontaria*) opened in 2q2023 concern corporations that carry out their activities in construction (33%), industry (22.8%) and services (26.2%) sectors. There was an increase in the use of such procedures, especially in norther Italy (comparing 2q2022 to 2q2023: from 1,335 to 1,625 in northeast; from 2,170 to 2,835 in northwest; from 2,249 to 2,865 in the middle; from 2,528 to 3,121 in the south).

This data shows a clear trend to prefer non-judicial instruments (such as restructuring agreements and negotiated crisis resolution settlement) rather than the traditional insolvency proceedings (such as composition agreements). The tendency seems to respond to the need to shorten times, reduce costs, ensure business continuity and avoid recurring to courts.

¹ Giorgio Corno is an *avvocato* (Italy) and *solicitor* (England and Wales). Greta Mariani is an *avvocato* (Italy). They both work at Studio Corno Avvocati (www.studiocorno.it)

² Please note that before July 2021 such procedures were qualified as *fallimenti*, meaning bankruptcy proceedings with regard to sole proprietorship and compulsory winding up proceedings for collective entrepreneur.