## **Table of Contents**

| Preface  |
|--|
| Selected BibliographyXV  |
| List of AuthorsXVI   |
|  |
| Introduction (Paulus)  |
| A. General overview; structure   |
| I. The goals of the Directive  |
| II. Structure  |
| B. Historical development  |
| C. Relationship to EU 2015/848; cross-border issues                                    |
| D. Global positioning of the new instrument  |
| DIRECTIVE (EU) 2019/1023 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL                 |
| mul. I   |
| Title I<br>General Provisions  |
|  |
| Article 1. Subject matter and scope (Dammann)  |
| A. Purpose 36  |
| B. Proceedings and measures falling within the scope of the Directive                  |
| I. Preventive restructuring frameworks   |
| 2. The approach of the Directive   |
| 3. The exclusion of classical insolvency proceedings from the scope of the Directive   |
| 4. Judicial composition versus court-assisted contractual approach                     |
| 5. Transposition by amending existing preventive insolvency proceedings                |
| 6. The two-step approach   |
| II. Proceedings leading to a discharge of debts  |
| III. Measures to increase the efficiency of procedures concerning the restructuring,   |
| insolvency and discharge of debt   |
| C. Group of companies  |
| D. Excluded classes of debtors   |
| E. Excluded categories of claims   |
| F. Possibility to limit preventive restructuring framework to financial restructuring? |
| G. The size of the debtors   |
| H. The relationship between the Directive, the EIR 2015 and Brussels Ia                |
| I. Cross-border aspects of preventive restructurings                                   |
| II. The relationship between the Directive and the EIR 2015                            |
| III. The scope of the EIR 2015   |
| IV. The scope of the EIR 2015 in light of the Directive                                |
| V. The consequence of the application of the EIR 2015 to restructuring frameworks      |
| VI. The advantage of the two-step model  |
| VII. The application of Brussels Ia  |
| •  |
| Article 2. Definitions   |
| A. Purpose of the norm (Paulus)  |
| B. Definitions 61  |
| I. lit. 1: Restructuring (Dammann)   |

DEUTSCHE NATIONAL BIBLIOTHEK

| III. lit. 3: Equity holder (Garcimartin)   |  |
|--|--|
| IV. lit. 4: Stay of individual enforcement actions (Richter)   | . 64   |
| V. lit. 5: Executory contract (Richter)  | . 6  |
| VI. lit. 6: Best-interest-of-creditors test (Veder)  | . 68   |
| VII. lit. 7: New financing (Lynch Fannon)  | . 69   |
| VIII. lit. 8: Interim financing (Lynch Fannon)   | . 7  |
| IX. lit. 9: Entrepreneur (Paulus)  | 74   |
| X. lit. 10: Full discharge of debt (Paulus)  | . 75   |
| XI. lit. 11: Repayment plan (Paulus)   | 7  |
| XII. lit. 12: Practitioner in the field of restructuring (Veder)   | . 70   |
| C. Par. 2 (Paulus)   | . 70   |
| I. Insolvency  | . 7  |
| II. Likelihood of insolvency   | . 7  |
| III. Micro, small and medium-sized enterprises ('SMEs")  | . 7  |
|  |  |
| Article 3. Early warning and access to information (Rammeskow)   | . 78   |
| A. Purpose of the norm   |  |
| B. Duty of Member States to establish early warning tools  | . 79   |
| C. Should early warning tools also apply to consumers etc.?  | . 79   |
| D. Which early warning tools must be available?  | . 80   |
| I. Alert mechanisms  |  |
| II. Advisory services  |  |
| III. Directors' duties to act upon an early warning  |  |
| E. Information to employee representatives on early warning tools  | . 83   |
| F. Easy accessible online information about early warning tools  |  |
| G. Support to employees' representatives   | . 83   |
| Preventive Restructuring Frameworks  |  |
| Charter 1 April 1: 11th of a section of the first of the section o | 0.1  |
| Chapter 1. Availability of preventive restructuring frameworks   | . 85   |
|  |  |
| Chapter 1. Availability of preventive restructuring frameworks   | . 85   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)   | . 85<br>. 86   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)   | . 85<br>. 86   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)   | . 85<br>. 86<br>. 87   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  | . 85<br>. 86<br>. 87   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | . 85<br>. 87<br>. 87<br>. 87   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | . 85<br>. 86<br>. 87<br>. 87<br>. 88   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | 85<br>86<br>87<br>87<br>87<br>89<br>91   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | 85<br>86<br>87<br>87<br>87<br>89<br>91   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | . 85<br>. 86<br>. 87<br>. 87<br>. 87<br>. 89<br>. 91<br>. 92   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  | 85<br>86<br>87<br>87<br>89<br>91<br>92<br>93<br>94   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  | 85<br>86<br>87<br>87<br>89<br>91<br>92<br>93<br>94   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  | 85. 85. 85. 85. 85. 85. 91. 92. 92. 94. 95.  |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative  | . 85<br>. 86<br>. 87<br>. 87<br>. 87<br>. 89<br>. 91<br>. 92<br>. 94<br>. 94<br>. 95   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose B. Structure  | . 85<br>. 86<br>. 87<br>. 87<br>. 87<br>. 89<br>. 91<br>. 92<br>. 94<br>. 94<br>. 95   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative  | . 85<br>. 86<br>. 87<br>. 87<br>. 87<br>. 89<br>. 91<br>. 92<br>. 94<br>. 94<br>. 95   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose B. Structure C. Availability of preventive restructuring frameworks I. Introduction II. Preventive restructuring frameworks III. The likelihood-of-insolvency test D. Suspicious debtors E. Viability test F. Number of times G. Procedural aspects I. General aspects II. Minimum intervention of judicial or administrative authorities H. Initiative  Chapter 2. Facilitating negotiations on preventive restructuring plans  Article 5. Debtor in possession (Veder)  | . 88. 86. 87. 87. 89. 99. 92. 94. 95. 96. 97. 97. 97. 97. 97. 97. 97. 97. 97. 97   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose B. Structure C. Availability of preventive restructuring frameworks I. Introduction II. Preventive restructuring frameworks III. The likelihood-of-insolvency test D. Suspicious debtors E. Viability test F. Number of times G. Procedural aspects I. General aspects II. Minimum intervention of judicial or administrative authorities H. Initiative  Chapter 2. Facilitating negotiations on preventive restructuring plans   | . 88. 86. 87. 87. 89. 99. 92. 94. 95. 96. 97. 97. 97. 97. 97. 97. 97. 97. 97. 97   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | . 88. 88. 88. 88. 89. 92. 92. 94. 94. 94. 95. 97. 97. 97. 97. 97. 97. 97. 97. 97. 98. 97. 98. 97. 98. 98. 98. 98. 98. 98. 98. 98. 98. 98   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | . 88<br>. 86<br>. 87<br>. 87<br>. 87<br>. 89<br>. 92<br>. 94<br>. 95<br>. 97<br>. 97<br>. 97<br>. 98<br>. 100  |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure   | . 85. 86. 87. 87. 87. 97. 97. 97. 97. 97. 97. 97. 97. 97. 9  |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks.  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative  Chapter 2. Facilitating negotiations on preventive restructuring plans  Article 5. Debtor in possession (Veder)  A. Purpose of the norm  B. Debtor-in-possession  C. Appointment of a practitioner in the field of restructuring  I. General remarks   | . 85. 86. 87. 87. 87. 87. 87. 87. 97. 97. 97. 97. 97. 97. 97. 97. 97. 9  |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative  Chapter 2. Facilitating negotiations on preventive restructuring plans  Article 5. Debtor in possession (Veder)  A. Purpose of the norm  B. Debtor-in-possession  C. Appointment of a practitioner in the field of restructuring  I. General remarks  II. Discretion  | . 85. 86. 87. 87. 91. 92. 94. 94. 95. 96. 97. 98. 100. 100. 100. 100. 100.   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative.  Chapter 2. Facilitating negotiations on preventive restructuring plans  Article 5. Debtor in possession (Veder)  A. Purpose of the norm  B. Debtor-in-possession  C. Appointment of a practitioner in the field of restructuring  I. General remarks  II. Discretion.  III. Mandatory appointment  D. Practitioner in the field of restructuring   | . 85<br>. 86<br>. 87<br>. 87<br>. 87<br>. 87<br>. 92<br>. 92<br>. 94<br>. 95<br>. 96<br>. 97<br>. 97<br>. 98<br>. 100<br>. 100<br>. 100<br>. 100   |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative  Chapter 2. Facilitating negotiations on preventive restructuring plans  Article 5. Debtor in possession (Veder)  A. Purpose of the norm  B. Debtor-in-possession  C. Appointment of a practitioner in the field of restructuring  I. General remarks  II. Discretion  III. Mandatory appointment  D. Practitioner in the field of restructuring  Article 6. Stay of individual enforcement actions (Richter)  | . 858. 868. 879. 929. 949. 959. 969. 1000. 1001. 1001. 1002. 1003. |
| Article 4. Availability of preventive restructuring frameworks (Garcimartin)  A. Purpose  B. Structure  C. Availability of preventive restructuring frameworks  I. Introduction  II. Preventive restructuring frameworks  III. The likelihood-of-insolvency test  D. Suspicious debtors  E. Viability test  F. Number of times  G. Procedural aspects  I. General aspects  II. Minimum intervention of judicial or administrative authorities.  H. Initiative.  Chapter 2. Facilitating negotiations on preventive restructuring plans  Article 5. Debtor in possession (Veder)  A. Purpose of the norm  B. Debtor-in-possession  C. Appointment of a practitioner in the field of restructuring  I. General remarks  II. Discretion.  III. Mandatory appointment  D. Practitioner in the field of restructuring   | . 85<br>. 86<br>. 87<br>. 87<br>. 87<br>. 92<br>. 92<br>. 94<br>. 95<br>. 96<br>. 97<br>. 97<br>. 98<br>. 100<br>. 100<br>. 101<br>. 102<br>. 103<br>. 105   |

| I. The specific purpose of the stay (Article 6 par. 1 1st subparagraph)                       | 105 |
|---|-----|
| II. Official discretion at the point of entry (Article 6 par. 1 2 <sup>nd</sup> subparagraph) | 106 |
| III. The claims subject – and not the subject – of the stay (Article 6 par. 2)                |     |
| IV. The nature of the stay (Article 6 par. 3 1st subparagraph)                                | 109 |
| V. The limited stay (Article 6 par. 3 2 <sup>nd</sup> subparagraph)                           | 109 |
| VI. Claims which Member States may exempt from the stay (Article 6 par. 4)                    | 110 |
| 1. The two general pre-requirements   |     |
| 2. The two specific conditions  |     |
| a) Enforcement not likely to jeopardise the restructuring (Article 6 par. 4 lit. a)           |     |
| b) Unfair prejudice (Article 6 par. 4 lit. b)   |     |
| 3. The procedural context   |     |
| VII. Employees' claims (Article 6 par. 5)   |     |
| VIII. The initial duration of the stay (Article 6 par. 6)                                     |     |
| VIII. The initial duration of the stay (Article 6 par. 6)                                     | 117 |
| IX. Extensions and renewals (Article 6 par. 7)  | 11/ |
| X. Limitations on the overall duration of the stay (Article 6 par. 8)                         | 119 |
| XI. Termination of the stay via official discretion (Article 6 par. 9)                        | 120 |
| 1. A stay litigation standstill period  |     |
| 2. An opportunity to be heard   | 120 |
| 3. The grounds for lifting the stay   | 121 |
| C. The debtor's powers and duties during the stay   | 123 |
| Article 7. Consequences of the stay of individual enforcement actions (Richter)               | 124 |
| A. General comments   | 126 |
| B. Specific rules related to the stay   |     |
| I. Commencement of formal insolvency proceedings  |     |
| 1. Suspension of the debtor's duty to file (Article 7 par. 1)                                 | 120 |
| 2. Suspension of the creditors' right to file (Article 7 par. 2)                              |     |
|   |     |
| 3. Derogations from the safe-harbours (Article 7 par. 3)                                      |     |
| II. The debtor's contracts  | 130 |
| 1. Preservation of essential executory contracts (Article 7 par. 4 1st subparagraph)          |     |
| a) What is the prohibition?   | 130 |
| b) When does the prohibition apply?   |     |
| c) What does the prohibition apply to?  |     |
| d) Against whom the prohibition applies   |     |
| e) For how long does the prohibition apply?   | 134 |
| 2. Safeguards awarded to the debtor's counterparties (Article 7 par. 4  2nd subparagraph)     | 134 |
| 3. Extension of the prohibition to non-essential contracts (Article 7 par. 4                  |     |
| 3 <sup>rd</sup> subparagraph)   | 135 |
| 4. Ipso facto clauses (Article 7 par. 5)  | 135 |
| 5. The ultimate fate of the debtor's contracts  |     |
| III. Netting arrangements (Article 7 par. 6)  |     |
| IV. Expiry of the stay (Article 7 par. 7)   | 139 |
| V. Set-off  |     |
| Chapter 3. Restructuring plans  |     |
|   |     |
| Article 8. Content of restructuring plans (Veder)   | 141 |
| A. Purpose of the norm  |     |
| B. Minimum content of the plan  | 142 |
| I. Information regarding the (financial situation of the) debtor                              |     |
| II. Affected parties  |     |
| III. Terms of the plan  |     |
| IV. Statement relating to the prospects of the restructuring                                  |     |
| C. Checklists   |     |
| D. Third-party releases   | 145 |
| Article 9. Adoption of restructuring plans (Dammann)  |     |
|   |     |
| A. Introduction   | 148 |
|   |     |

| I. The legal framework  | 149 |
|---|-----|
| II. The choice for the proposer of the plan to carve out unaffected parties                     |     |
| C. Submission of restructuring plans, Article 9 par. 1  | 153 |
| I. The submission of the restructuring plan by the debtor                                       | 153 |
| II. The submission of the restructuring plan by the practitioner in the field of restructuring  |     |
| III. The submission of competing restructuring plans by creditors                               | 154 |
| D. Voting rights, Article 9 par. 2 and 3  | 155 |
| E. Classes of creditors, Article 9 par. 4 and 5   | 156 |
| I. The rationale of class formation   | 156 |
| II. Equity holders  | 157 |
| III. The constitution of additional classes   | 159 |
| IV. The question of mixing up secured and unsecured creditors within the same class             |     |
| V. The option to create a separate class for workers' claims                                    | 160 |
| VI. The option to create a separate class for workers claims                                    | 161 |
| VII. The single class option for SMEs   | 101 |
| VIII. The control of the formation of classes and voting rights by a judicial or administrative | 101 |
|   | 163 |
| authority   | 162 |
| F. Voting Majorities, Article 9 par. 6  | 164 |
| I. Rational of majority rules   | 164 |
| II. The flexible approach of the Directive  | 164 |
| III. Best practice  | 165 |
| IV. The calculation of the voting rights  | 165 |
| G. Agreement with the requisite majority, Article 9 par. 7                                      | 166 |
| Article 10. Confirmation of restructuring plans (Garcimartin)                                   | 167 |
| A. Purpose  |     |
| B. Need of confirmation   |     |
| C. Conditions   |     |
| I. Adoption of the plan   |     |
| II. Unfair discrimination test  |     |
| III. Notification of the plan   |     |
| IV. Best-interest-of-creditors test   | 172 |
|   |     |
| V. New financing  |     |
| VI. Burden of allegation  | 1/5 |
|   |     |
| E. Procedure  | 1/5 |
| Article 11. Cross-class cram-down (Veder)   | 176 |
| A. Purpose of the norm  |     |
| B. Cross-class cram-down  |     |
| C. Request for confirmation by the debtor or with the debtor's agreement                        |     |
| D. Conditions for confirmation of a non-consensual plan   |     |
| I. General confirmation conditions  | 183 |
| II. Minimum support test  |     |
| III. The fairness test  |     |
| 1. Relative priority rule   |     |
| 2. Absolute priority rule   |     |
| E. Practitioner in the field of restructuring   |     |
| č   | 10) |
| Article 12. Equity holders (Garcimartin)  | 189 |
| A. Purpose  | 190 |
| B. Structure  | 191 |
| C. Definition of equity holders   | 191 |
| D. Alternatives   | 192 |
| I. Introduction: legal background   | 192 |
| II. Equity holders as a class of affected parties   | 193 |
| III. Other means  | 195 |
| IV. SMEs  | 197 |
|   | 198 |

| Article 13. Workers (Lynch Fannon)  |     |
|---|-----|
| A. Purpose  |     |
| C. Purpose  |     |
| D. Interface with other EU employment legislation   |     |
| I. Information and consultation   | 202 |
| II. Additional Directives which interface with restructuring  |     |
| III. Guarantee of payments of wages, salaries and pension   | 205 |
| IV. Acquired Rights Directive   | 206 |
| V. New consultation rights  |     |
| E. Alternative restructuring proposals, frameworks and approaches   | 208 |
| Article 14. Valuation by the judicial or administrative authority ( <i>Dammann</i> )                            |     |
| B. The valuation of the business as a going concern   | 210 |
| C. The liquidation value of the business  |     |
| D. Judicial valuation only where the plan is challenged   |     |
| E. The procedure to lodge a challenge   | 212 |
| F. The appointment of experts   | 213 |
| G. Best practice for the transposition of Article 14 of the Directive   | 214 |
|   |     |
| Article 15. Effects of restructuring plans (Richter)  |     |
| A. The effects of restructuring plans   | 214 |
| II. Creditors not involved in the adoption of the plan, par. 2  |     |
|   |     |
| Article 16. Appeals (Paulus)  |     |
| A. Purpose  |     |
| B. Appeal   | 217 |
| I. Possibility to appeal, par. 1  | 217 |
| 1. Judicial authority   | 217 |
| 2. Administrative authority   | 218 |
| II. Procedural steps, par. 2 and 3  |     |
| III. Decision, par. 4   | 219 |
| Chapter 4. Protection for new financing, interim financing and other restructuring related transactions         |     |
| Article 17. Protection for new financing and interim financing (Lynch Fannon)                                   | 220 |
| A. Introduction   |     |
| B. History  |     |
| C. Purpose  | 224 |
| D. Protection for new and interim financing   | 224 |
| I. The applicability of measures which might render new and interim financing 'void, voidable or unenforceable' |     |
| II. Where liability might be incurred in relation to new and interim financing                                  | 226 |
| III. Interim financing granted after the debtor is unable to pay its debts as they fall due                     |     |
| E. Priority for new and interim financing   |     |
| F. Conclusion   | 228 |
| Article 18. Protection for other restructuring related transactions (Lynch Fannon)                              | 229 |
| A. Purpose and background   |     |
| B. The scope of Article 18: introduction  |     |
| C. The scope of the Article: specific provisions  |     |
| I. Transactions which are "reasonable and immediately necessary"  |     |
| II. Specifically enumerated protected transactions  | 232 |
| III. Timing of Transactions during the negotiation phase  |     |
| IV. Transactions entered into during the implementation phase   |     |
| D. Implementation of Article 18 – The role of the judiciary and or administrative authority                     | 234 |

| E. Protection from actions or measures which render the transactions void, voidable or unenforceable  | 234 |
|---|-----|
| I. Other transactions or commitments which are relevant   | 236 |
| II. Practical Issues  |     |
| Chapter 5. Duties of directors  |     |
| Article 19. Duties of directors where there is a likelihood of insolvency (Corno)   | 238 |
| A. Purpose of Article 19 and of the implementing Member States' rules   | 238 |
| B. Ambit of application   | 239 |
| C. Duties of directors as one of the minimum standards for preventive restructuring proce-  | 246 |
| D. The long way to Article 19   | 240 |
| E. Issues to be imposed on directors by Member States as a minimum  | 242 |
| I. Interests of creditors, equity holders and other stakeholders  | 243 |
| 1. Need to have regard to interests of stakeholders   | 243 |
| 2. The possible extension to rights of stakeholders   | 244 |
| 3. Interests of creditors   |     |
| 4. Interests of equity holders  |     |
| 5. Interest of other stakeholders. Directors' interests   | 246 |
| II. Need to take steps to minimize losses and avoid insolvencyIII. Need to avoid deliberate or grossly negligent conduct that threatens the viability of the  | 246 |
| businessbusiness business busine |     |
| Title III   |     |
| Discharge of Debt and Disqualifications   |     |
| Article 20. Access to discharge (Paulus)  | 249 |
| A. Purpose  |     |
| B. Access to full discharge, par. 1   |     |
| C. Proportionality, par. 2  |     |
| D. Fresh start, par. 3  |     |
| Article 21. Discharge period (Paulus)   |     |
| A. Purpose  | 253 |
| B. Start of discharge period, par. 1  | 253 |
| C. End of discharge period, par. 2  |     |
| -   |     |
| Article 22. Disqualification period (Rammeskow)   |     |
| A. Purpose of the norm  |     |
| B. Article 22 concerns entrepreneurs  |     |
| D. Disqualifications concerning specially supervised activities   |     |
| E. When must a disqualification cease   |     |
| F. No requirement for additional procedures to cease a disqualification   |     |
| Article 23. Derogations (Rammeskow)   | 259 |
| A. Purpose of the norm  | 261 |
| B. Entrepreneurs that have acted dishonestly or in bad faith  | 261 |
| C. Derogations in other well-defined circumstances  | 262 |
| I. Violation of obligations under the repayment plan etc  | 262 |
| II. Failure to comply with information or cooperation duties  |     |
| III. Abusive applications for discharge   |     |
| V. The cost of the procedure leading to the discharge of debt is not covered  |     |
| VI. Safeguarding the balance between the rights of the debtor and the rights of one or more   | _00 |
| creditors   | 264 |
| D. Longer discharge period  |     |
| I. Longer discharge period in order to preserve the entrepreneur's business   |     |
| II. Longer discharge period where the entrepreneur's main residence is not realised   | 265 |

| E. Exclusion of certain categories of debt from the discharge   |            |
|---|------------|
| F. Longer disqualification periods for certain professions  | 267        |
| I. Professions with specific rules on ethics, reputation or expertise   | 267        |
| II. Professions dealing with the management of the property of others   | 268        |
| III. Par. 5 apply despite a discharge   | 268        |
| IV. Par. 5 merely concerns the disqualification period  | 268        |
| G. Disqualifications ordered by other authorities   |            |
| •   |            |
| Article 24. Consolidation of proceedings regarding professional and personal debts (Richard Consolidation of proceedings)   |            |
| A. General comments   |            |
| B. Specific rules related to consolidation of proceedings   |            |
| I. Inseparable debts (Article 24 par. 1)  | 271        |
| II. Separable debts (Article 24 par. 2)   | 271        |
|   |            |
| Title IV  |            |
| Measures to increase the efficiency of the procedures concerning restructuring insolvency and discharge of debt   | <u>;</u> , |
| Article 25. Judicial and administrative authorities (Corno)   | 273        |
| A. Purpose of Title IV  |            |
| B. Scope of Article 25  |            |
| I. Content and reasons of its text  |            |
| II. Measures regarding judicial and administrative authorities, when dealing with   |            |
| procedures concerning restructuring, insolvency and discharge of debt (Article 25   |            |
| par. 1, lit. a)   | 275        |
| III. Measures regarding procedures concerning restructuring, insolvency and discharge   |            |
| debt (Article 25 par. 1, lit. b)  |            |
| C. Limits to the application of measures set by Article 25  |            |
| D. Ambit of application of the measures set by Article 25.  |            |
| I. Measures set by Article 25, par. 1, lit. a   |            |
| II. Measures set by Article 25, par. 1, lit. b  |            |
| ·   |            |
| Article 26. Practitioners in procedures concerning restructuring, insolvency and discharge  |            |
| debt (Veder)  |            |
| A. Purpose of the norm  |            |
| B. Training and expertise   |            |
| C. Eligibility  |            |
| D. Appointment, removal and resignation   | 281        |
| E. Objections   |            |
| F. Best Practices   | 282        |
| Article 27. Supervision and remuneration of practitioners (Veder)   | 283        |
| A. Purpose of the norm  | 283        |
| B. Supervision  | 283        |
| C. Codes of conduct   |            |
| D. Remuneration   |            |
| And -1- 20 II ( 1-4 ' ( 1-4 ' ( 1-4 ' ( 1-4 ' ( 1-4 | 205        |
| Article 28. Use of electronic means of communication (Paulus)   | 285        |
| Title V   |            |
| Monitoring of Procedures Concerning Restructuring, Insolvency and Discharge of  | Debt       |
| Article 29. Data collection (Richter)   |            |
| A. General comments   |            |
| B. The data to be collected   |            |
| I. A dataset of restructurings and insolvencies (Article 29 par. 1)   |            |
| II. Repeat filers (Article 29 par. 2)   |            |
| III. Further data to be collected voluntarily (Article 29 par. 3)   | 290        |
| IV. Breakdowns of the data collected (Article 29 par. 4)  |            |
| V. Working with samples (Article 29 par. 5)   | 291        |
| . , , , , , , , , , , , , , , , , , , ,   |            |

| VI. Reporting periods, the communication form and presentation of the national data (Article 29 par. 6 to 8) | 291                      |
|--|--------------------------|
| Article 30. Committee procedure (Paulus)   | 291                      |
| Title VI<br>Final Provisions   |                          |
| Article 31. Relationship with other acts and international instruments (Paulus)                              | 294<br>294<br>295<br>296 |