

# INSTRUCTIONS FOR THE USAGE OF THE EBA NPL TRANSACTION TEMPLATES

## TABLE OF CONTENTS

<b>Introduction</b> .....	<b>2</b>
<b>General Instructions</b> .....	<b>4</b>
<b>Part I: Specific Instructions</b> .....	<b>7</b>
1. References .....	7
2. Conventions.....	10
3. Asset class breakdown.....	11
4. Country specific breakdown .....	13
<b>Part II: Data tape related Instructions</b> .....	<b>14</b>
1. Portfolio.....	14
2. Counterparty Group.....	14
3. Counterparty.....	16
4. Relationship (Borrower - Loan).....	25
5. Relationship (Tenant - Lease) .....	26
6. Relationship (Guarantor - Guarantee) .....	26
7. Loan .....	26
8. Historical Collection and Repayment Schedule .....	39
9. External Collection.....	40
10. Forbearance .....	41
11. Property Collateral.....	43
12. Relationship - Property Collateral .....	50
13. Lease.....	51
14. Non-Property Collateral .....	52
15. Relationship - Non-Property Collateral .....	56
16. Enforcement .....	57
17. Swap.....	60
<b>ANNEX 1 Counterparty Country Specific Legal Proceedings</b> .....	<b>62</b>

## INTRODUCTION

1. To address the different data needs during the screening and during the financial due diligence (FDD) and valuation phase of Non-Performing Loans (NPLs) transactions, two sets of templates have been developed by the EBA; the “EBA NPL portfolio screening template” and the “EBA NPL transaction templates”, collectively referred to as the “EBA NPL templates”. Please refer to the cover note for further background information.
2. The EBA NPL transaction templates:
  - a. Provide the most granular and extensive level of data fields.
  - b. Aim at enabling potential bidders to conduct the financial due diligence (FDD) and valuation of a NPL portfolio in a transaction context.
3. EBA NPL portfolio screening templates:
  - a. The example data fields in this level are a subset of the EBA NPL transaction templates and aim to provide information commonly required to perform a market sounding exercise. The list is not exhaustive.
  - b. The data fields allow to stratify the NPL portfolio to provide a high level view of the portfolio to investors and other third parties potentially involved in transactions, usually in the form of an investment teaser. It aims at enabling potential bidders to perform an initial screening of the NPL portfolio during the first phase of an intended NPL transaction.
4. The EBA NPL templates are part of the EBA response to the calls of the European Commission and of the Council to the EBA to: (a) work further on reducing information asymmetries between potential buyers and sellers of NPLs which will help the development of a functioning secondary market for NPLs in the EU; and (b) issue, by the end of 2017, templates for banks for the monitoring of NPLs, specifying detailed information required from banks on their credit exposures in the banking book.
5. Institutions, as referred to in Article 4 (1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council *on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (CRR)*<sup>1</sup> and investors, are, therefore, encouraged to use the EBA NPL templates in their NPL transactions to provide comparable and standardised data on NPLs to investors and other stakeholders.<sup>2</sup>
6. The EBA NPL templates should be seen as provided “as is”, with no guarantee of completeness and, accuracy and timeliness of the results data and information exchanged or received through obtained from the use of these templates, and without warranty of any kind, express or implied. The terms applied and any other related information in the EBA

---

<sup>1</sup> OJ L 176, p. 1

<sup>2</sup> These templates do not constitute any regulatory requirement for supervisory reporting or similar.

NPL templates or provided by using them are not guaranteed to exactly reproduce officially adopted texts.

7. Using the EBA NPL templates does not discharge the users or any contracting parties in NPL transactions from any legal, accounting, and tax, professional, supervisory or other form of obligation, including from any obligations, which they might have to observe, due to the application of data protection regulation or of any other national and Union legislation on data protection and data confidentiality.<sup>3</sup> All parts of the EBA NPL templates, including any legal and other information contained therein, is for general guidance only. The application and impact of laws can vary widely over-time or based on the specific facts involved. Given the changing nature of laws, rules and regulations, there may be delays, omissions or inaccuracies in the information included in the EBA NPL templates.
8. To ensure consistency where possible with the existing definitions in relevant Regulations and Codes, the EBA NPL templates build upon relevant provisions of the CRR as well as upon provisions and comparable data fields included in: (a) Implementing Regulation (EU) No 680/2014 of 16 April 2014 *laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (FINREP Regulation)*<sup>4</sup>; (b) Regulation (EU) 2016/867 of the European Central Bank *on collection of granular credit and credit risk data*<sup>5</sup> (AnaCredit); (c) Regulation (EU) No 1893/2006 *on establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains*<sup>6</sup> (NACE); (d) ISO Codes; and the Nomenclature of Units for Territorial Statistics (NUTS3) as laid out by Eurostat<sup>7</sup>. This is to ensure the maximum consistency possible with the existing definitions.
9. To develop the EBA NPL templates, the EBA has also taken into account the relevant work of other public authorities involved in developing loan-level templates, including on AnaCredit and securitisation<sup>8</sup>.

---

<sup>3</sup> European Commission homepage on protection of personal data (<http://ec.europa.eu/justice/data-protection/>), and see e.g. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, applicable from 25 May 2018.

<sup>4</sup> OJ L191, p. 1.

<sup>5</sup> OJ L 144, p. 44.

<sup>6</sup> OJ L 393m p. 1.

<sup>7</sup> <http://ec.europa.eu/eurostat/web/nuts>.

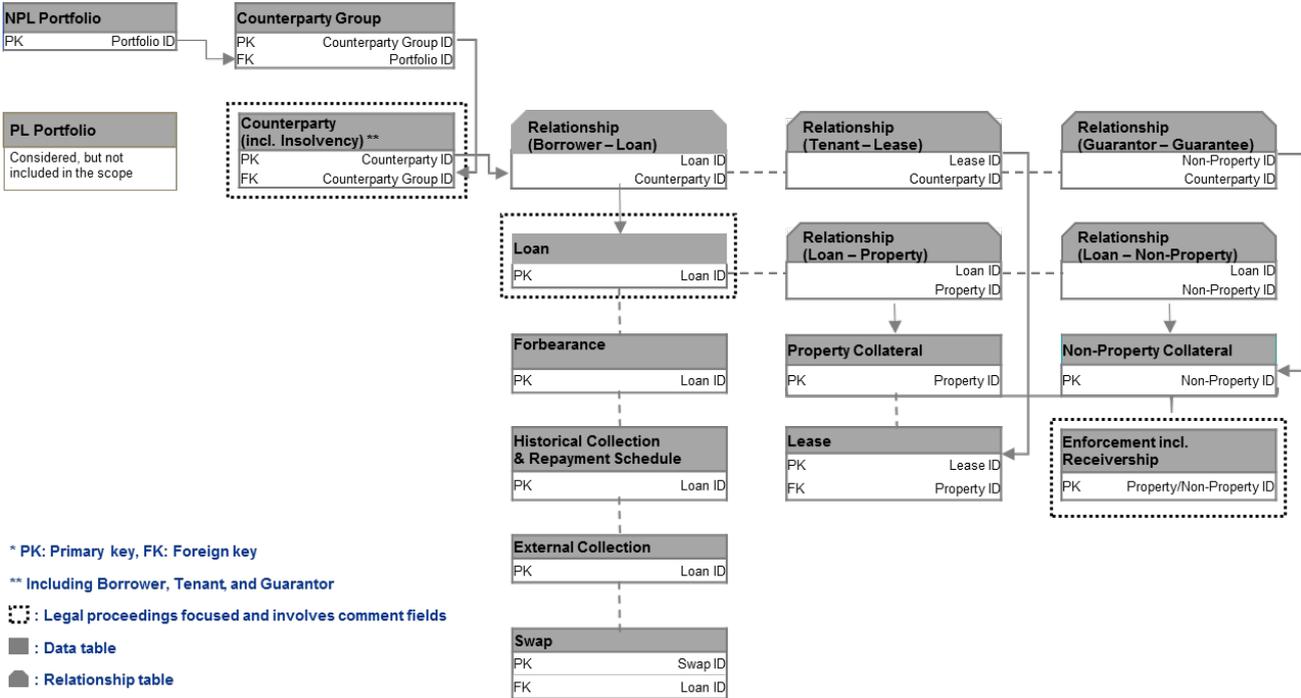
<sup>8</sup> See Proposal for a Regulation of the European Parliament of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (COM(2015) 472 final).

## GENERAL INSTRUCTIONS

1. The EBA NPL transaction templates provide data at the most granular level, which includes the following data categories: Portfolio, Counterparty Group, Counterparty, Loan, Historical Collection and Repayment Schedule, External Collection, Forbearance, Property Collateral, Non-Property Collateral, Forbearance, Enforcement and Swap. These instructions provide the details on the structure of the EBA NPL transaction templates and the indicative definitions for each of the data fields. Please refer to Figure 1 for details on the flow of the data fields.
2. The EBA NPL transaction templates aim to provide an extensive baseline for supporting NPL transactions. Considering the particularities and specificities associated with each portfolio and transaction, additional data and information may be required on a case by case basis.
3. Therefore, any party involved in an existing or potential NPL transaction may request further data and information not included in the EBA NPL templates. To ensure that all relevant NPL data and information elements are linked together, users of the EBA NPL transaction templates are encouraged to ensure that the most granular level of data with unique identifiers and relationship mappings are included.
4. The EBA NPL transaction templates are comprised of these *Instructions*, a *Data Dictionary*, a *data tape* and *validation rules* as follows:
  - a. The Instructions provide explanations for the usage of the EBA NPL transaction templates.
  - b. The Data Dictionary provides a list of all data fields, which form part of the EBA NPL transaction templates.
  - c. The data tape is the actual file to be filled in by an institution with data relating to the transacted NPL portfolio.
  - d. The validation rules provide guidance on how different data points can be validated against each other.
5. Country specificities have been factored in to the extent possible and on a best effort basis, to reflect the restructuring and insolvency procedures applicable in Member States. These data fields are indicative, not exhaustive and aim to support a first level country specific analysis. These data fields do not have vocation to replace legal due diligence and should be confirmed as complete and accurate by a qualified legal counsel.
6. To assist the user with navigating through the high number of data field and to help ensuring that essential information is provided, each data field is classified with a level of criticality for the FDD and valuation of the portfolio: “critical”, “important” or “moderate”. This ranking is for indicative purposes only, as relevance may vary between portfolios. Moreover, all fields are relevant to a certain extend and it is advised to provide a full and complete data tape to the potential investors to optimise accuracy in assessment and pricing of the portfolio. More guidance on the definition of what is meant by “critical”, “important, and “moderate”:

- a. “Critical” are the fields which are essential for investors to adequately run their pricing models and to allow a transaction to reach the binding offer stage. These should be provided for all transactions;
  - b. “Important” are the fields which are expected to have a material impact on the transaction price of the Portfolio. The level of impact of each field on pricing depends on the specific situation of the NPL Portfolio. These are highly recommended fields, however judgement is to be exerted by the seller based on the investment required to provide VS. the foreseen impact on pricing, as well as timing of provision;
  - c. “Moderate” are the fields which add value to the Portfolio but are not expected to have significant pricing impact in general. Judgement is also to be exerted for these fields on a case-by-case basis as, depending of the specific NPL portfolio and its underlying exposures, some of the fields may still have a significant impact on pricing.
7. A data field may be described for a Private Individual Counterparty or for a Corporate, or to both. Otherwise, it should be assumed that the data field is applicable for all.
8. The EBA NPL transaction templates includes the indicators below on data protection / confidentiality and on static vs dynamic. These indicators are indicative and for reference and convenience purposes only. Users are required to use their own judgment and advice from local specialists and also consider paragraphs 6 and 7 of the Introduction and paragraph 10 below:
  - a. Indicator as to whether a data field might be subject to data protection rules and / or confidentiality restrictions. This indicator provides an initial identification of the fields which are most likely – but not exclusively - to be subject to such rules and restrictions;
  - b. Indicator as to whether a particular data field is considered as static or dynamic in case of recurring reporting. A ‘Static Field’ implies that the field will be unlikely (in a typical NPL transaction) to change between two versions of the data tape with different cut off dates. A ‘Dynamic field’ implies that it must be updated between two different cut off dates.
9. It shall be noted that the EBA NPL templates should be complemented by relevant and appropriate Non-Disclosure Agreements (NDAs), Confidentiality Agreements (CAs) or similar contractual or other types of arrangements required by relevant legislation or imposed by market practices, which are the responsibility of the users to produce and implement.

**FIG 1: DATA STRUCTURE**



**PART I**  
**SPECIFIC INSTRUCTIONS**

**1. REFERENCES**

1. For the purpose of these Instructions, the following definitions and abbreviations apply:

- (a) ‘Counterparty’: is defined as either a borrower, guarantor or tenant;
- (b) ‘Cut-Off Date’: The date at which the underlying asset data within the EBA NPL templates is referenced;
- (c) ‘CRD’: the Capital Requirements Directive (EU) No 2013/36/EU as amended and in force;
- (d) ‘CRE’: Commercial Real Estate defined further in Part I Section 3 in asset definitions;
- (e) ‘CRR’: the Capital Requirements Regulation (EU) No 575/2013 as amended and in force;
- (f) ‘EBIT’: Earnings Before Interest and Tax;
- (g) ‘EONIA’: Euro Over Night Index Average;
- (h) ‘EURIBOR’: Euro Interbank Offered Rate;
- (i) ‘IAS’ or ‘IFRS’: ‘International Accounting Standards’, as defined in Article 2 of the IAS Regulation No 1606/2002<sup>9</sup>, which have been adopted by the European Commission;
- (j) ‘Institution’: Institutions referred to in point (1) of Article 4(1) of Regulation (EU) No575/2013 of CRR as well as any undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account;
- (k) ‘ISIN code’: the International Securities Identification Number assigned to securities, composed of 12 Text characters, which uniquely identifies a securities issue;
- (l) ‘ISCO-08’: the International Standard Classification of Occupation<sup>10</sup>. It supersedes the ‘ISCO-88’;

---

<sup>9</sup> Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L243, 11/09/2002, p.1)

<sup>10</sup> <http://www.ilo.org/public/english/bureau/stat/isco/docs/index08-draft.xlsx>

- (m) ‘ISO 3166 ALPHA-2’, a list of country codes<sup>11</sup>, defined by 2 letters;
- (n) ‘ISO4217’: a list of global currencies<sup>12</sup> and the 3 letter codes that represents them;
- (o) ‘ISO17442’: the Financial Services LEI code, as published in 2012;
- (p) ‘ISO20022’: the Financial Services universal financial industry message scheme as published in May 2013, which specifies where the person was born or naturalised;
- (q) ‘LEI code’: the global Legal Entity Identifier assigned to entities, which uniquely identifies a party to a financial transaction;
- (r) ‘LIBOR’: London Interbank Offered Rate;
- (s) ‘Loan Agreement’: the Loan Agreement is the contract to the Loan which includes any addendums to the original Loan Agreement;
- (t) ‘MARF’: the Mortgage Arrears Resolution Process, issued under section 117 of the Irish Central Bank Act 1989, effective from July 2013;
- (u) ‘NACE Regulation’: Regulation (EC) No 1893/2006 of the European Parliament and of the Council<sup>13</sup>;
- (v) ‘NACE codes’: codes in NACE Regulation<sup>14</sup>;
- (w) ‘NUTS3’: the Nomenclature of Units for Territorial Statistics<sup>15</sup> as per the 2013 classification. The number refers to the economic territory, where ‘3’ is small regions for specific diagnoses;
- (x) ‘RRE’: Residential Real Estate defined further in asset definitions;

---

<sup>11</sup> <https://www.iso.org/obp/ui/#search>

<sup>12</sup> <https://www.currency-iso.org/en/home/tables/table-a1.html>

<sup>13</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

<sup>14</sup> [http://ec.europa.eu/competition/mergers/cases/index/nace\\_all.html](http://ec.europa.eu/competition/mergers/cases/index/nace_all.html)

<sup>15</sup> [http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST\\_CLS\\_DLD&StrNom=NUTS\\_2013L&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC#](http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NUTS_2013L&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC#)

- (y) ‘SME’: micro, small and medium-sized enterprises defined in Commission Recommendation C(2003)1422<sup>16</sup>;
  - (z) ‘UN/LOCODE’: United Nations Code for Trade and Transport Locations<sup>17</sup> list 2017-1;
  - (aa) Users: The Institutions and their counterparties to NPL transactions for which the EBA NPL transaction templates are used;
  - (bb) ‘WHO’: the World Health Organisation Est. 1948.
2. The Data Dictionary and the Instructions suggest which data fields might be considered as confidential in the meaning of Regulation (EU) 2016/679. However, more data fields might be considered as confidential. Users remain solely responsible for fully observing the European Union and national law on data protection and confidentiality when using the EBA NPL templates.
3. The Data Dictionary, which forms an integral part of the EBA NPL templates provides the following information for each data field:
- (a) An index number;
  - (b) The data category, as all data fields are grouped into data categories;
  - (c) Clarification for which type of borrower – either private individuals or corporates – the respective data field applies for;
  - (d) The name of the data field;
  - (e) A brief description of the data field, which is aligned with the Instructions;
  - (f) The field type (Boolean, Choice, Date, Number, Percentage, Text);
  - (g) The suggested importance of a data field for financial due diligence and valuation purposes (Critical, Important, Moderate);
  - (h) Information as to whether the field is suggested to be a ‘static field’ or ‘dynamic field’. A ‘static field’ implies that the field will be unlikely (in a typical NPL transaction) to change between two versions of the data tape with different Cut-Off Dates. A ‘dynamic field’ implies that it must be updated between two different Cut-Off Dates;
  - (i) If the field has country specific aspects then the respective data field is only relevant in a restricted number of countries;

---

<sup>16</sup> Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (C (2003)1422) (OJ L 124, 20.5.2003, p. 36).

<sup>17</sup> <http://www.unece.org/cefact/locode/service/location>

- (j) If there are likely – but not exclusively- data protection rules and / or confidentiality restrictions to be considered for respective data fields;
- (k) The asset class which the data field applies to;
- (l) Any reference to existing regulatory or reporting standards or data standards, including:
  - The CRR and financial reporting;
  - Existing data standards including ISO codes, NACE codes and NUTS3;
  - AnaCredit templates as laid out in Regulation (EU) 2016/867 of the ECB of 18 May 2016 on the collection of granular credit and credit risk data;
  - ABS templates as developed by the European Securities and Market Authority (ESMA).<sup>18</sup>

## 2. CONVENTIONS

4. If not otherwise stated in the Instructions, figures are reported as positive numbers.
5. Where the field type is Boolean, the field choice is Yes or No.
6. Where the field is Choice, there is list from which the User can select the relevant choice that is applicable to the data field. The choice field shall be entered as the full name of the choice option. For example, where the choice field is (a) Employed, the user shall enter Employed into the data template.
7. Where the field type is Text, the User enters free text into that data field.
8. Where the field type is a Number, the User enters a Number expressed to two decimal places.
9. Where the field type is a Percentage, the User enters a percentage expressed as a ratio to two decimal places.
10. Where the data field is country specific this is implied with ‘Yes’, whilst where the data field is not thought to be country specific this is implied with a blank cell.
11. Where the data field is confidential for all countries this is implied with red and ‘1’, where the data field is confidential for some countries this is implied with orange and ‘2’, whilst where the data field if not confidential this is implied with a blank cell.
12. Where the data field is asset class specific, this is implied with green and ‘1’, whilst where the data field is not thought to be related to a specific asset class this is implied with a blank cell.

---

<sup>18</sup>Developed for the disclosure requirements under the Securitisation Regulation [not finalised].

13. When submitting responses to fields, which are lists, just the code of the list option is submitted along with the text relating to that code. For example, for NACE codes the following would be entered A – Agriculture.

14. Where property collateral data is being entered, the data shall be entered at unit level.

15. Where there is missing data the following ‘No Data’ options<sup>19</sup> may be used:

- (a) ‘ND1’ is data not collected as not required by the underwriting criteria;
- (b) ‘ND2’ is data collected on loan/lease application but not loaded into the originator’s reporting system;
- (c) ‘ND3’ is data collected on loan/lease application but loaded onto a separate system from the originator’s reporting system;
- (d) ‘ND4-YYYY-MM-DD’ is data collected but will only be available from YYYY-MM-DD (YYYY-MM-DD must be completed);
- (e) ‘ND5’ is not relevant.

16. The data tape shall only be used to report ‘Active Loans’ that form part of the NPL Portfolio as of the Cut-Off Date of the submitted data tape. An ‘Active Loan’ is a loan for which cash inflows or outflows may be expected to occur in the future.

### 3. ASSET CLASS BREAKDOWN

17. The asset class breakdown<sup>20</sup> is similar - with some distinctions - to the exposure types of the ABS templates as developed by the ESMA.<sup>21</sup>

- (a) Residential Real Estate loans – indicative characteristics are:
  - 1. Loans granted to private individuals to purchase or refinance immovable property used as a residence; and,
  - 2. Secured by the immovable property an individual uses as their residence; and,
  - 3. Where the purchased or refinanced immovable property, which does not generate rental revenues and is either:
    - (a) The primary residence to the owner; or,

---

<sup>19</sup> Developed for templates under the Securitisation Regulation [not finalised].

<sup>20</sup> Asset class breakdown is to be used as a guide for the EBA NPL templates and should not be taken as a hard classification.

<sup>21</sup> Developed for the disclosure requirements under the Securitisation Regulation [not finalised].

- (b) Is a residential investment property that includes holiday homes and second homes; or,
  - (c) Where the Loan is to finance the development of immovable property, as defined in (a) or (b).
- (b) Commercial Real Estate loans – indicative characteristics are:
1. Loans granted to a Corporate to purchase or refinance commercial immovable property; and,
  2. Secured by the commercial immovable property; and
  3. Where the purchased or refinanced property is either:
    - (a) Commercial immovable properties; or,
    - (b) Residential immovable properties that are then rented out and that are secured by the residential immovable properties being purchased and are therefore used for the development of a commercial immovable property. This includes buy-to-let schemes.
- (c) SME / Corporate loans – indicative characteristics are:
1. Loans granted to an enterprise, where an enterprise is considered to be any entity engaged in an economic activity irrespective of its legal form. This includes self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engages in economic activity; and,
  2. Loans granted to persons for performing entrepreneurial activity classified as micro, small and medium enterprises, in accordance with the Commission Recommendation C(2003)1422<sup>22</sup>; or
  3. Loans granted to SME defined in point 1 and large corporates defined as number of employees that are higher than 250 and the annual turnover exceeding EUR 50m, for their general operations that can be either unsecured or secured by real estate property or secured by non-real estate property.
- (d) Unsecured Retail loans – indicative characteristics are:
1. Receivables from credit cards from private individuals; or,
  2. Unsecured consumer loans granted to private individuals.
- (e) Leasing / Asset Backed Finance (ABF) loans – indicative characteristics are:

---

<sup>22</sup> Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (C (2003)1422) (OJ L 124, 20.5.2003, p. 36).

1. Loans granted to corporates to purchase Non-Property Collateral (i.e. movable) that are secured by the movable Non-Property Collateral being purchased.
2. Such Loans include those for Asset Backed Finance such as Marine and Aviation.

(f) Auto loans – indicative characteristics are:

1. Loans granted to private individuals for the purchase or refinance of motor vehicles that are secured by the motor vehicles being purchased.

(g) ‘Specialised Loans’ – indicative characteristics are:

1. Loans granted for other purposes such as: Project Finance Loans; Infrastructure Loans; and Public Sector Loans.

#### 4. COUNTRY SPECIFIC BREAKDOWN

18. The data tape also includes country specific data fields, which relate to the 28 member states in the European Union. Country specific data fields are marked as such in the Data Dictionary.

## PART II

### DATA TAPE RELATED INSTRUCTIONS

#### 1. PORTFOLIO

1. 'Cut-off Date' is the reporting date of the data extract. The field type is a Date in the format dd/mm/yyyy.
2. 'Portfolio Identifier' is the institution's internal identifier for the NPL Portfolio. Where the NPL Portfolio is defined as a set of loans for sale. The field type is Text.

#### 2. COUNTERPARTY GROUP

3. 'Counterparty Group Identifier' is the institution's internal identifier for the Counterparty Group. Where Counterparty Group is defined as a group of related Counterparties. Where a group could just be a standalone counterparty or multiple Counterparties. The field type is Text.

The group of related Counterparties are considered to be related where:

- i. Each Counterparty has an exposure to the Institution; and
- ii. The Counterparties' credit quality impacts the credit quality of any other Counterparty within the Counterparty Group; and
- iii. The Counterparties share an economic relationship with one another.

The group of related Counterparties is not the same as 'Group of Connected Clients' defined in Article 4(1) (39) of Regulation (EU) No 575/2013.

4. 'Name of Counterparty Group' is the name used to refer to the Counterparty Group. The field type is Text and the data field is confidential for all countries.
5. 'Industry Segment of Counterparty Group' is the industry in which the Counterparty Group mainly operates. The field type is a Choice field, which is populated using the classification NACE codes.
6. 'Name of Sponsor' is the name used to refer to the main decision maker or key individual in relation to the Counterparty Group. The field type is Text and the data field is confidential for all countries.
7. 'Type of Sponsor' is the type of entity the sponsor is. The field type is a Choice field, which is populated by:
  - (a) Listed Corporate is a Corporate entity whose shares are quoted and traded on a Stock Exchange;
  - (b) Unlisted Corporate is a Corporate entity whose shares are not quoted and traded on a stock exchange, however an unlisted corporate may have an unlimited number of shareholders to raise capital for any commercial venture;

- (c) Listed Fund is a fund whose shares are quoted and traded on a Stock exchange;
  - (d) Unlisted Fund is a fund whose shares are not quoted and traded on a Stock exchange;
  - (e) Partnership is where the Sponsor constitutes a group of individuals who form a legal partnership, where profits and liabilities are shared; or,
  - (f) Private Individual.
8. 'Description of Sponsor' is a description and related narrative of the sponsor. Where the description is not limited to the main activities of the main sponsor and will include relevant comments related to the credit quality of the sponsor. The field type is Text.
9. 'Cross Default in Counterparty Group' is the indicator as to whether contractual breach of any loans in the Counterparty Group would trigger the contractual default event of the other loans. Default is defined as a contractual breach to the terms of the Loan Agreement. The definition of default is not the same as used in the reference Article 178 of Regulation (EU) No 575/2013 (CRR). The field type is Choice.
- (a) Full;
  - (b) Partial;
  - (c) None.
10. 'Description of Cross Default' is a description of cross default when 'Partial' is selected in 'Cross Default in Counterparty Group'. The description is to provide more details on the Cross default. The field type is Text.
11. 'Cross Collateralisation in Counterparty Group' is the indicator as to whether all or some of the loans in the Counterparty Group are secured by all or some of the collaterals within the Counterparty Group. Where cross collateralisation is when Counterparties of a Counterparty Group have collateral secured against a loan, which is then used as collateral against all loans taken out by all Counterparties of that Counterparty Group. The field type is a Choice field, populated by:
- (d) Full;
  - (e) Partial;
  - (f) None.
12. 'Description of Cross Collateralisation' is a description of cross collateralisation when 'Partial' is selected in 'Cross Collateralisation in Counterparty Group'. The description is to provide more details on the Cross Collateralisation. The field type is Text.

### 3. COUNTERPARTY

13. 'Counterparty Identifier' is the unique internal identifier for the Counterparty. The field type is Text.
14. 'Name of Counterparty' is the name used to refer to the Counterparty. The field type is Text and the data field is confidential for all countries.
15. 'Counterparty Group Identifier' is the institution's internal identifier for the Counterparty Group. The field type is Text.
16. 'Counterparty Role' is the type of the Counterparty. The field type is a Choice field, populated by:
  - (a) Guarantor
  - (b) Borrower
  - (c) Tenant
17. 'Legal Type of Counterparty' is the type of the Counterparty that determines their legal status. The field type is a Choice field, which is populated by the list identified in the data field in Section 2, 'Type of Sponsor'.
18. 'Number of Joint Counterparties' is the number of joint Counterparties who jointly own parts of the Loan. They are equally responsible for payments on the promissory notes as per the Loan Agreement and can have an equal or unequal share in the No-Property or Property Collateral. The field type is a Number.
19. 'Date of Birth' is the date of birth of the Private Individual Counterparty. The field type is a Date in the format dd/mm/yyyy and the data field is expected to be treated as confidential for all countries.
20. 'Personal Identity Number' is the unique external identifier assigned to the Private Individual Counterparty. The field type is Text and the data field is expected to be treated as confidential for all countries.
21. 'Type of Personal Identity Number' is the type of the external personal identity number entered in field 'Personal Identity Number'. The field type is a Choice field populated by:
  - (a) Passport Number;
  - (b) National Insurance Number;
  - (c) National tax number;
  - (d) Other.

22. 'Nationality of Counterparty' is the main nationality of the Private Individual Counterparty. The field type is a Choice field populated using ISO 20022 and the data field is expected to be treated as confidential for some countries.
23. 'Address of Residence' is the street address where the Private Individual Counterparty lives, including flat or house, number or name. The field type is Text and the data field is expected to be treated as confidential for all countries.
24. 'City of Residence' is the city where the Private Individual Counterparty lives. The field type is a Choice field populated using UN/LOCODE.
25. 'Geographic Region of Residence' is the province or region where the Private Individual Counterparty lives. The field type is a Choice field populated using the Eurostat's Nomenclature of Territorial Units for Statistics 3 (NUTS3).
26. 'Geographic Region Classification' is NUTS3 classification used for the field 'Geographic Region of Residence' in section 4. The field type is a Choice field populated by:
  - (a) NUTS3 2016;
  - (b) NUTS3 2013;
  - (c) NUTS3 2010;
  - (d) NUTS3 2006;
  - (e) NUTS3 2003;
  - (f) Other.
27. 'Postcode of Residence' is the postcode where the Private Individual Counterparty lives. The field type is Text and the data field is expected to be treated as confidential for some countries.
28. 'Country of Residence' is the country where the Private Individual Counterparty resides. The field type is a Choice field, which is expected to be treated as confidential for all countries and populated using ISO 3166 ALPHA-2.
29. 'Annual Income' is the total annual income of the Private Individual Counterparty. It includes the total net income the Counterparty earns from all possible sources, including from employment, self-employment, pensions, state benefits, and interest from savings, dividends, rental income and other income. The field type is a Number.
30. 'Currency of Annual Income' is the currency that the annual income of the Private Individual Counterparty, used in the field 'Annual Income', is expressed in. The field type is a Choice field populated using ISO 4217 currency codes.
31. 'Income Self-Certified' is the indicator as to whether the Private Individual Counterparty has self-certified their annual income. Where 'Self-Certified' is when

the Private Individual Counterparty confirms their financial standing in a formal statement, such as accounts, and where the information provided by the Private Individual Counterparty is not be verified by the Institution. The field type is Boolean.

32. 'Employment Status' is the employment status of the Private Individual Counterparty. The field type is a Choice field populated by:
  - (a) Employed;
  - (b) Employed with partial support (company subsidy);
  - (c) Protected life-time employment (civil servant);
  - (d) Self-employed;
  - (e) Unemployed;
  - (f) Student;
  - (g) Pensioner;
  - (h) Other.
33. 'Occupation Type' is the main occupation of the Private Individual Counterparty where (a), (b), (c) or (d) is selected for the data field 'Employment Status' The field type is a Choice field populated using ISCO-08.
34. 'Occupation Description' is a description of the occupation of the Private Individual Counterparty, which provides more detail for the field 'Occupation Type'. The field type is Text.
35. 'Date of Verification for Personal Details' is the date that the personal details, i.e. nationality, residence, annual income and occupation, of the Private Individual Counterparty, i.e. were last verified. If these fields were updated at different time then take the last verified date. The field type is a Date in the format dd/mm/yyyy.
36. 'Internal Credit Rating at Origination' is the internal credit rating issued to the Private Individual Counterparty or Corporate Counterparty at the point in time when the Counterparty became a customer. The Institution is to provide the internal methodology used to decide the rating as a part of the transaction documents in annex to the data tape. The field type is Text.
37. 'External Credit Rating at Origination' is the external credit rating issued to the Corporate Counterparty at the point in time when the Counterparty became a customer and choose the lowest one if there are multiple ratings. In case several ratings are assigned, the approach described in Art. 138 of the CRR applies. The field type is Text.

38. 'Source of External Credit Rating at Origination' is from which credit rating agency at the point in time when the Corporate Counterparty became a customer. The field type is Text.
39. 'External Credit Scoring at Origination' is the external credit scoring issued to the Private Individual Counterparty at the point of time when the Counterparty became a customer. If there are multiple scorings the approach described in Art.138 of the CRR apply. The field type is Text.
40. 'Source of External Credit Scoring at Origination' is from which credit rating agency the external credit scoring at the point in time when the Private Individual Counterparty became a customer. The field type is Text.
41. 'Current Internal Credit Rating' is the internal credit rating issued to the Private Individual Counterparty or Corporate Counterparty at the NPL Portfolio Cut-Off Date. The Institution is to provide the internal methodology used to decide the rating as a part of the transaction documents in annex to the data tape. The field type is Text.
42. 'Current External Credit Rating' is the external credit rating issued to the Corporate Counterparty at the NPL Portfolio Cut-Off Date. The field type is Text.
43. 'Source of Current External Credit Rating' is the agency which provided the external credit rating as at the NPL Portfolio Cut-Off Date. The field type is Text.
44. 'Current External Credit Scoring' is the external credit scoring issued to the Private Individual Counterparty at the NPL Portfolio Cut-Off Date. If there are multiple scorings the approach described in Art.138 of the CRR apply. The field type is Text.
45. 'Source of Current External Credit Scoring' is from which credit scoring agency the external credit scoring at the NPL Portfolio Cut-Off Date was obtained. The field type is Text.
46. 'Date of Incorporation' is the date that the Corporate Counterparty was incorporated as a company, partnership or fund (registration and filing), and therefore became a separate legal entity from its owners, with its own rights and obligations. The field type is a Date in the format dd/mm/yyyy.
47. 'Registration number' is the company registration number of the Corporate Counterparty according to the country specific registration office. The field type is Text and the data field is expected to be treated as confidential for all countries.
48. 'Legal Entity Identifier' (LEI) is the global standard 20-character corporate identifier of the Corporate Counterparty. The field type is a Choice field and the data field is expected to be treated as confidential for all countries, populated using ISO 17442.
49. 'Address of Registered Location' is the address where the Corporate Counterparty is registered. The field type is Text and the data field is expected to be treated as confidential for all countries.

50. 'City of Registered Location' is the city where the Corporate Counterparty is registered. The field type is a Choice field populated using UN/LOCODE.
51. 'Geographic Region of Registered Location' is the province or region where the Corporate Counterparty is registered. The field type is a Choice field populated using the Eurostat's Nomenclature of Territorial Units for Statistics 3 (NUTS3).
52. 'Geographic Region Classification' is the NUTS3 classification used for the field 'Geographic Region of Registered Location'. The field type is a Choice field.
53. 'Postcode of Registered Location' is the postcode where the Corporate Counterparty is registered. The field type is Text and the data field is confidential for some countries.
54. 'Country of Registered Location' is the country where the Corporate Counterparty is registered. The field type is a Choice field populated using ISO 3166 ALPHA-2
55. 'Basis of Financial Statements' is the financial reporting practice the Corporate Counterparty has adopted. The field type is a Choice field populated by:
  - (a) IFRS;
  - (b) National GAAP;
  - (c) Other.
56. 'Financial Statements Type' is the indicator as to whether the financial statements have been prepared at the consolidated level or at stand-alone level of the Counterparty. The field type is a Choice field populated by:
  - (a) Consolidated;
  - (b) Counterparty level.
57. 'Date of Latest Annual Financial Statements' is the date of the latest available financial statements. The field type is a Date in the format dd/mm/yyyy.
58. 'Currency of Financial Statements' is the currency that the latest available financial statements are expressed in. The field type is a Choice field populated using ISO 4217 currency codes.
59. 'Enterprise Size' is the classification of enterprises by size for the Corporate Counterparty. The field type is a Choice field populated using the Annex to Commission Recommendation 2003/361/EC:
  - (a) Micro-enterprise;
  - (b) Small enterprise;
  - (c) Medium enterprise;

- (d) Large enterprise.
60. 'Industry Segment' is the industry in which the Corporate Counterparty mainly operates. The field type is a Choice field, which is populated using the classification NACE codes.
  61. 'Business Description' is a description of the business operations of the Corporate Counterparty, providing more detail for the data field 'Industry Segment'. The field type is Text.
  62. 'Fixed Assets' is the amount of fixed assets held by the Corporate Counterparty as per the latest available financial statements. Where 'Fixed Assets' is defined by IAS 16 (Property, Plant and Equipment) or other accounting standards, as assets whose use is for the business operation, where a value is assigned to them, and the useful economic life is more than one year. The field type is a Number.
  63. 'Current Assets' is the amount of current assets held by the Corporate Counterparty, excluding cash and cash equivalent items as per the latest available financial statements. Where 'Current Assets' are assets that are defined by IAS 1.60 or similar according to other accounting standards as expected to be realised in the entity's normal operating cycle, held primarily for the purpose of trading, and expected to be realised within 12 months after the reporting period. The field type is a Number.
  64. 'Cash and Cash Equivalent Items' are the amount of cash and cash equivalent items held by the Corporate Counterparty as per the latest available financial statements. Where 'Cash and Cash Equivalents' are defined by IAS 7 – or similar according to other accounting standards as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The field type is a Number.
  65. 'Total Assets' are the amount of total assets held by the Corporate Counterparty on the balance sheet as defined by the applicable accounting standard as per the latest available financial statements. The field type is a Number.
  66. 'Net Assets' are the amount of net assets held by the Corporate Counterparty as defined by the applicable accounting standard as per the latest available financial statements. 'Net Assets' are the Total Assets as defined in 'Total Assets', minus the Total Liabilities as defined in 'Total Liabilities', as equal to Equity on the balance sheet. The field type is a Number.
  67. 'Total Liabilities' are the amount of total liabilities held by the Corporate Counterparty on the balance sheet as defined by the applicable accounting standard as per the latest available financial statements. The field type is a Number.
  68. 'Total Debt' is the amount of total debt held by the Corporate Counterparty. Total Debt relates to all formal, written financing agreements such as short-term loans payable, long-term loans payable, and bonds payable as per the latest available financial statements. The field type is a Number.

69. 'Market Capitalisation' is the market capitalisation of the listed Corporate Counterparty, i.e. the stock value of the company that is traded on the stock exchange, calculated by multiplying the total number of shares by the share price at the NPL Portfolio Cut-Off Date. The field type is a Number.
70. 'Annual Revenue' is the amount of annual revenue generated by the Corporate Counterparty as defined by IAS 18 or similar according to other accounting standards as per the latest available financial statements. The field type is a Number.
71. 'Annual EBIT' is the amount of annual Earnings Before Interest and Tax (EBIT) generated by the Corporate Counterparty as per the latest available financial statements. The field type is a Number.
72. 'Financials Audited' is the indicator as to whether the financials of the Corporate Counterparty have been audited. The field type is Boolean.
73. 'Number of FTE' is the number of full-time employees (FTE, or equivalent) working for the Corporate Counterparty as at the last financial reporting date. The field type is a Number.
74. 'Date of Last Contact' is the date of last direct contact with the Counterparty. The field type is a Date in the format dd/mm/yyyy.
75. 'Cross Default for Counterparty' is the indicator as to whether the default of any loans held by the Counterparty would trigger the default event of the other loans held by the Counterparty. The field type is Choice.
- (a) Full;
  - (b) Partial;
  - (c) None.
76. 'Description of Cross Default' is a description of cross default when 'Partial' is selected in field 'Cross Default for Counterparty'. The field type is Text.
77. 'Cross Collateralisation for Counterparty' is the indicator as to whether all or some of the loans held by the Counterparty are secured by all or some of the collaterals held by the Counterparty. The field type is a Choice field, populated by:
- (a) Full;
  - (b) Partial;
  - (c) None.
78. 'Description of Cross Collateralisation' is a description of cross collateralisation when 'Partial' is selected in field 'Cross Collateralisation for Counterparty'. The field type is Text.

79. 'Related Party' is the indicator as to whether the Counterparty is a related party to the Institution. Where 'Related Party' is similar to what is defined by IAS 24 such as a person or entity that is preparing its financial statements or if the Counterparty is an employee of the Institution. The field type is Boolean.
80. 'Description of Related Party' is any further comments or details on the nature of the relation between the institution and the related party when 'Yes' is selected in field 'Related Party'. The field type is Text.
81. 'Other Products with Institution' are the other products that the Counterparty holds with the Institution that are not included in the NPL Portfolio. These include deposits, custody services (assets and securities under management) or lending not included in the NPL Portfolio and other products. The field type is Text.
82. 'Contingent Obligations' is the indicator as to whether the Corporate Counterparty has contingent obligations which will be part of the sale. A contingent obligation relates to a guarantee given by the Institution in respect of development projects or similar such arrangements. Often observable in real estate development or infrastructure development. The field type is Boolean.
83. 'Description of Contingent Obligations' is a description of contingent obligations when 'Yes' is selected in field 'Contingent Obligations'. The field type is Text.
84. 'Deposit Balance with Institution' is the deposit amount the Counterparty holds with the Institution as defined by Annex II, Part two of the ECB BSI Regulation. The Deposit as reported here cannot necessarily be considered as a guarantee for the loan(s) and does not constitute any right that it can be netted with the loan. The field type is a Number.
85. 'Currency of Deposit' is the currency that the deposit held with the Institution is expressed in. The field type is a Choice field populated using ISO 4217 Currency Codes.
86. 'Eligibility for Deposit to Offset' is the indicator as to whether the deposit held with the Institution can be used to pay down the loan. The field type is Boolean.
87. 'Counterparty Deceased' is the indication as to whether the Private Individual Counterparty has passed away. The field type is Boolean.
88. 'Name of Insolvency/Restructuring Proceedings' is the name of any insolvency or restructuring proceedings to which the Counterparty is subject. Where the field type is a Choice field dependent on the country. These Choice fields are detailed in Annex I to these instructions.
89. 'Additional Name of Insolvency/Restructuring Proceedings' is a field to provide any additional insolvency/restructuring proceedings to which the Counterparty is subject. Where the field type is a Choice field dependent on the country. These Choice fields are detailed in Annex I to these instructions. Where only one insolvency/restructuring proceeding is present this field shall be filled with ND5.

90. 'Legal Procedure Type' is the type of insolvency or restructuring process the Counterparty is currently in. The field type is a Choice field populated by:
- (a) Corporate Restructuring Procedures, which also include funds;
  - (b) Corporate Insolvency Procedures, which also include funds;
  - (c) Private Individual Counterparty Debt Compromise Procedures;
  - (d) Private Individual Counterparty Insolvency Procedures;
  - (e) Partnership Restructuring Procedures;
  - (f) Partnership Insolvency Procedures;
  - (g) Other.
91. 'Description of Legal Procedure Type' is the description of the Legal Procedure Type when 'Other' is selected in data field 'Legal Procedure Type'. Where the field is a Text field. Where possible institutions are encouraged to write the Text field using the wording in the data field 'Legal Procedure type'
92. 'Commencement date of Insolvency/Restructuring Proceedings' is the date on which the Counterparty's insolvency/restructuring proceedings commenced. The field type is a Date in the format dd/mm/yyyy.
93. 'Stage reached in insolvency/restructuring procedure' is an indication of how advanced the relevant procedure has become as a result of various legal steps in the legal procedure having been completed. The generic, standardised legal actions across countries are identified below. This is not an exhaustive list of legal actions and therefore the Institution should make a value judgement as to whether they should add any additional legal actions to the generic standardised legal actions. The field type is Text, which allows for multiple selections of stages to be entered if applicable.
- (a) A creditors committee has been formed;
  - (b) A moratorium against enforcement is in place;
  - (c) A restructuring plan has been proposed;
  - (d) A restructuring plan has been approved;
  - (e) A proof of claim has been filed;
  - (f) A bar date for claims has been issued;
  - (g) A notice of intention to sell secured assets has been given;
  - (h) A distribution has been made to secured creditors;
  - (i) A distribution has been made to unsecured creditors;

- (j) A notice of the end of the procedure has been given.
94. 'Additional stage reached in insolvency/restructuring procedure' is an indication of how advanced the relevant additional procedure has become as a result of various legal steps in the additional legal procedure having been completed. The generic, standardised legal actions across countries are listed under the data field 'Stage reached in insolvency/restructuring procedure'. This is not an exhaustive list of legal actions and therefore the Institution should make a value judgement as to whether they should add any additional legal actions to the generic standardised legal actions. The field type is Text, which allows for multiple selections of stages to be entered if applicable.
95. 'Insolvency Practitioner Appointed' is the indicator as to whether an insolvency practitioner has been appointed. The field type is Boolean.
96. 'Date of Appointment' is the date that the insolvency practitioner was appointed. The field type is a Date in the format dd/mm/yyyy.
97. 'Name of Insolvency Practitioner' is the name of the insolvency practitioner. The field type is Text and the data field is expected to be treated as confidential for some countries.
98. 'Correspondence Address of Appointed Insolvency Practitioner' is the street address where the insolvency practitioner is registered at, including the flat or house, number or name. The field type is Text and the data field is expected to be treated as confidential for some countries.
99. 'Insolvency Practitioner Reference' is the reference given to the insolvency practitioner to authorise their practice. The field type is Text.
100. 'Proof of Claim filed by the seller' is an indicator as to whether the seller has filed a claim. The field type is Boolean.
101. 'Distribution made to the Seller' is an indicator as to whether a distribution has been made to the seller. The field type is Boolean.
102. 'Notice for Procedure Termination' is an indicator as to whether the notice of the end of the procedure has been given to the seller. The field type is Boolean.
103. 'Number of Current Judgements' are the number of outstanding Court Enforcement Orders at the NPL Portfolio Cut-Off Date against the Private Individual Counterparty. The field type is a Number.
104. 'Number of Discharged Judgements' is the number of discharged Court Enforcement Orders against the Private Individual Counterparty. The field type is a Number.
105. 'Date of Internal Demand Issuance' is the date that a demand notice was sent by the Institution itself. The demand notice is commonly the final process before the Institution pursues legal action against the Counterparty. The field type is a Date in the format dd/mm/yyyy.

106. 'Date of External Demand Issuance' is the date that a demand notice was sent by solicitors who act on behalf of the Institution. The field type is a Date in the format dd/mm/yyyy.
107. 'Date when Reservation of Rights Letter Was Issued' is the date that the Reservation of Rights Letter was issued by the Institution. The field type is a Date in the format dd/mm/yyyy.
108. 'Jurisdiction of Court' is the location of the court where the court case is being heard. The field type is a Choice field populated using ISO 3166 ALPHA-2.
109. 'Indicator of Counterparty Cooperation' is the indicator as to whether the Corporate or Private Individual Counterparty is cooperative or not. Where the field type is Boolean.
110. 'Date of Obtaining Order for Possession' is the date that the Order for Possession is granted by the court. The field type is a Date in the format dd/mm/yyyy.
111. 'Eviction Date' is the date that the Counterparty is evicted. Where eviction is the action of expelling a Counterparty from their property. The field type is a Date in the format dd/mm/yyyy.
112. 'Sheriff / Bailiff Acquisition Date' is the date that the sheriff or bailiff is acquired by the court. The sheriff or bailiff is the individual who has the legal power to collect certain debts. They do this by collecting what the Counterparty owes, or by selling collateral. The field type is a Date in the format dd/mm/yyyy.
113. 'Legal Fees Accrued' is the total amount of all legal fees accrued at the NPL Portfolio Cut-Off Date. The field type is a Number.
114. 'Comments on Other Litigation Related Process' are the further comments or details if there are other litigation processes in place. The field type is Text.
4. RELATIONSHIP (BORROWER – LOAN)
115. 'Contract Identifier' is the institution's internal identifier for the Loan Agreement. Where Loan is as defined in Part 1 of Annex V to Implementing Regulation (EU) No.6. The field type is Text.
116. 'Instrument identifier' is the institution's internal identifier for a Loan part. Where Loan is as defined in Part 1 in Annex V to Implementing Regulation (EU) No.6. The field type is Text.
117. 'Counterparty Identifier' is the unique internal identifier for the Counterparty. The field type is Text.
5. RELATIONSHIP (TENANT – LEASE)
118. 'Lease Identifier' is the institution's internal identifier for the Lessee. The field type is Text.

119. 'Counterparty Identifier' is the unique internal identifier for the Counterparty. The field type is Text.

## 6. RELATIONSHIP (GUARANTOR – GUARANTEE)

120. 'Protection Identifier' is the institution's internal identifier for the Non-Property Collateral. Where movable property is used as collateral for loans and is as defined in table F13 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.

121. 'Counterparty Identifier' is the unique internal identifier for the Counterparty. The field type is Text.

## 7. LOAN

122. 'Contract identifier' is the institution's internal identifier for the Loan Agreement. Where Loan is as defined in Part 1 of Annex V to Implementing Regulation (EU) No.6. The field type is Text.

123. 'Instrument identifier' is the institution's internal identifier for a Loan part. Where Loan is as defined in Part 1 in Annex V to Implementing Regulation (EU) No.6. The field type is Text.

124. 'Channel of Origination' is the channel through which the loan was originated. The field type is a Choice field populated by:

- (a) Branch;
- (b) Internet;
- (c) Broker;
- (d) Other.

125. 'Details of Origination Channel' is a description of the origination channel when 'Broker' or 'Other' is selected in field 'Channel of Origination'. The field type is Text.

126. 'Date of Origination' is the date that the loan originated as per the Loan Agreement. The field type is a Date in the format dd/mm/yyyy.

127. 'Country of Origination' is the country where the loan was originated. This does not necessarily correspond to the country of the law that governs the loan. The field type is a Choice field populated using ISO 3166 ALPHA-2.

128. 'Governing Law of Loan Agreement' is the governing law, which is the law of the country in which the Loan Agreement was entered into. This does not necessarily correspond to the country where the loan was originated. The field type is a Choice field populated using ISO 3166 ALPHA-2.

129. 'Asset Class' is the asset class of the loan. The field type is a Choice field, which is populated by the list defined in 'Asset Definitions'.

130. 'Loan Purpose' is the purpose for which the loan can be provided. Where the field type will be a Choice field populated by:

- (a) Residential real estate – owner occupied;
- (b) Residential real estate investment;
- (c) Commercial Real Estate (CRE);
- (d) Margin lending where the Counterparty borrows money to invest in shares or managed funds;
- (e) Debt financing;
- (f) Commercial development;
- (g) Residential development;
- (h) Working capital facility;
- (i) Credit card;
- (j) Consumer lending;
- (k) Asset finance.

131. 'Product Type' is the product type of the loan. The field type is a Choice field to be populated by:

- (a) Term Loans;
- (b) Revolving Credit Facility;
- (c) Overdraft.

132. 'Amortisation Type' is a description of the amortisation type of the loan as per the latest Loan Agreement. The field type is a Choice field to be populated by:

- (a) Linear (L);
- (b) Annuity (A);
- (c) Interest Only (IO) i.e. no amortisation with a bullet;
- (d) Bespoke Repayment.

133. 'Description of Bespoke Repayment' is a description of the bespoke repayment profile when 'Bespoke Repayment' is selected in field 'Amortisation Type'. Where the field type is a Text field. Where possible institutions are encouraged to write the

Text field in the format IO (t), A (t), L (t). Where (t) is the term in x years and y months. Therefore for a bespoke repayment where the linear rate is two years and three months, the annuity repayment is one year and the interest only rate is five years and two months the entry in the text field is IO (5 years, 2 months), A (1 year, 0 months), L (2 years, 3 months).

134. 'Final Bullet Repayment' is the total amount of principal repayment to be paid at the maturity date of the loan. The field type is a Number.
135. 'Original Maturity Date' is the original contractual maturity date of the loan. The field type is a Date in the format dd/mm/yyyy.
136. 'Current Maturity Date' is the contractual maturity date of the loan as at the Cut-Off Date. This does not necessarily correspond to the contractual maturity date at origination, as it can be changed since then, including through forbearance measures. The field type is a Date in the format dd/mm/yyyy.
137. 'Loan Currency' is the currency which the loan is expressed in as per the latest Loan Agreement. The field type is a Choice field populated using ISO 4217 Currency Codes.
138. 'Origination Amount' is the loan amount advanced to the Borrower or drawn down by the Borrower at the origination date of the loan. The field type is a Number.
139. 'Principal Balance' is the current amount of outstanding principal as recognised on the balance sheet at the NPL Portfolio Cut-Off Date. Where principal is defined by referring to table F7 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Number.
140. 'Accrued Interest Balance (On book)' is the current amount of outstanding interest as recognised on the balance sheet at the NPL Portfolio Cut-Off Date. Where accrued interest is defined by referring to Part 1 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Number.
141. 'Other Balances' are the total of other outstanding amounts. The field type is a Number. The number should incorporate other charges, commissions, fees and other outstanding amounts not recognised under Principal Balance and Accrued Interest Balance (On Book), as recognised on the balance sheet.
142. 'Total Balance' is the total unpaid balance, which is to equal Principal Balance plus Accrued Interest Balance (On book) plus Other Balances. Where balance is defined by referring to Part 1 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Number.
143. 'Accrued Interest Balance (Off book)' is the amount of interest that has been accrued but not recognised on the balance sheet at the NPL Portfolio Cut-Off Date. These are accrued interest which would be any accrued not on the book as referred to in Part 1 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Number.

144. 'Legal Balance' is the total claim amount, which is to equal Total Balance plus Accrued Interest Balance (Off book). The field type is a Number.
145. 'Accounting Stages of Asset Quality' are the stages of the asset quality. Where asset quality can be likened to Impairment as defined in IFRS 9.5.5. If the loan is considered at fair value through profit and loss this information is provided here. If the applicable accounting standard is different from the IFRS this information is provided here. The field type is a Choice field populated by:
- (a) IFRS Stage 1;
  - (b) IFRS Stage 2;
  - (c) IFRS Stage 3 (Impaired);
  - (d) Fair Value Through Profit and Loss;
  - (e) Other Accounting Standard – Impaired Asset;
  - (f) Other Accounting Standard – Not Impaired.
146. 'Loan Commitment' is the total available credit extended for the loan as at the Cut-Off Date. It includes the undrawn committed part of the loan commitment. Where loan commitment is defined by referring to Part 2 in Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Number.
147. 'Original Interest Rate' is the original total interest rate of the loan as stated in the original Loan Agreement and as applicable as of loan origination. The field type is a Percentage.
148. 'Original Interest Rate Type' is the original interest rate type as stated in the original Loan Agreement and as applicable as of loan origination. The field type is a Choice field populated by:
- (a) Fixed;
  - (b) Variable;
  - (c) Mixed.
149. 'Description of Original Interest Rate Type' is a description of original interest rate type when 'Mixed' is selected in field 'Original Interest Rate Type'. The field type is Text.
150. 'Original Interest Base Rate' is the original base rate of the loan when 'Variable' is selected in field 'Original Interest Rate Type'. The field type is a Percentage.
151. 'Original Interest Margin' is the original margin of the loan above the base rate at loan origination. The field type is a Percentage.

152. 'Original Interest Rate Reference' is the original interest rate base or reference rate of the loan when 'Variable' is selected in field 'Original Interest Rate Type'. The field type is a Choice field populated by:
- (a) 1m EURIBOR;
  - (b) 3m EURIBOR;
  - (c) 6m EURIBOR;
  - (d) 1m LIBOR;
  - (e) 3m LIBOR;
  - (f) 6m LIBOR;
  - (g) Standard Variable Rate (SVR);
  - (h) EONIA.
153. 'Current Interest Rate' is the current total interest rate of the loan as stated in the Loan Agreement on and applicable at the NPL Portfolio Cut-Off Date. The field type is a Percentage.
154. 'Current Interest Rate Type' is the current interest rate type as per Loan Agreement and applicable at the NPL Portfolio Cut-Off Date. The field type is a Choice field populated by:
- (a) Fixed;
  - (b) Variable;
  - (c) Mixed.
155. 'Description of Current Interest Rate Type' is a description of current interest rate type when 'Mixed' is selected in field 'Current Interest Rate Type'. The field type is Text.
156. 'Current Interest Base Rate' is the current base rate of the Loan as at NPL Portfolio Cut-Off Date when 'Variable' is selected in field 'Current Interest Rate Type'. The field type is a Percentage.
157. 'Current Interest Margin' is the current margin above the base rate as stated in the Loan Agreement and applicable at the NPL Portfolio Cut-Off Date. The field type is a Percentage.
158. 'Current Interest Rate Reference' is the current interest rate base or reference rate of the loan as stated in the Loan Agreement and applicable at the NPL Portfolio Cut-Off Date when 'Variable' is selected in field 'Current Interest Rate Type'. The field type is a Choice field populated by the list identified in the data field in Part II Section 5, 'Original Interest Rate Reference'.

159. 'Start Date of Interest Only Period' is the date that the interest only period starts according to the most recent Loan Agreement and applicable as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.
160. 'End Date of Interest Only Period' is the date that the interest only period ends according to the current Loan Agreement and applicable as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.
161. 'Start Date of Current Fixed Interest Period' is date that the current fixed interest period started according to the current Loan Agreement and applicable as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.
162. 'End Date of Current Fixed Interest Period' is the Date that the current fixed interest period ends according to the Loan Agreement and applicable as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.
163. 'Type of Reversion Interest Rate' is the type of reversion interest rate after the fixed interest period ends according to the Loan Agreement and applicable as at the NPL Portfolio Cut-Off Date. Where reversion means that after the interest fixed period the Institution would revert the rate to a different type, LIBOR or EURIBOR plus a margin, or Standard Variable Rate. The field type is Text.
164. 'Current Reversion Interest Rate' is the current level of the reversion interest rate according to the Loan Agreement that is effective as at the NPL Portfolio Cut-Off Date. Reversion means that after the interest fixed period the Institution would revert the rate to a different type, LIBOR or EURIBOR plus a margin, or Standard Variable Rate. The field type is a Percentage.
165. 'Interest Cap Rate' is the maximum interest rate that can be charged on the loan as specified in the current Loan Agreement. The field type is a Percentage.
166. 'Interest Floor Rate' is the minimum interest rate of a loan as specified in the current Loan Agreement. The field type is a Percentage.
167. 'Start Date of Principal Grace Period' is the start date of the principal grace period. A principal grace period is a period during which no principal repayments are made according to the latest Loan Agreement. The field type is a Date in the format dd/mm/yyyy.
168. 'End Date of Principal Grace Period' is the end date of the principal grace period. A principal grace period is a period during which no principal repayments are made according to the latest Loan Agreement. The field type is a Date in the format dd/mm/yyyy.
169. 'Start Date of Interest Grace Period' is the start date of the interest grace period. An interest grace period is a period during which no interest payments are made according to the latest Loan Agreement. The field type is a Date in the format dd/mm/yyyy.

170. 'End Date of Interest Grace Period' is the end date of the interest grace period. An interest grace period is a period during which no interest payments are made according to the latest Loan Agreement. The field type is a Date in the format dd/mm/yyyy.
171. 'Interest Reset Interval' is the number of months between 2 interest reset dates according to the Loan Agreement and applicable as of the NPL Portfolio Cut-Off Date. Where Reset is defined as a point in time when the interest margin on a loan changes to a new interest margin. The field type is a Number.
172. 'Last Interest Reset Date' is the date that the last interest reset event happened. Where reset is defined as a point in time when the rate on a loan changes to a new rate. The field type is a Date in the format dd/mm/yyyy.
173. 'Next Interest Reset Date' is the date that the next interest reset event is scheduled to happen. Where reset is defined as a point in time when the rate on a loan changes to a new rate. The field type is a Date in the format dd/mm/yyyy.
174. 'Early Redemption Penalty' is the additional charge on the early redemption made by the Counterparty according to the Loan Agreement and applicable as of the NPL Portfolio Cut-Off Date. Where redemption is the repayment of principal balance of the loan. The field type is a Percentage.
175. 'Past-Due Penalty Interest Margin' is the additional margin charged on the past-due portion of the loan according to the Loan Agreement at Cut-Off Date. The field type is a Percentage.
176. 'Default Penalty Interest Margin' is the additional margin charged on the balance of the loan in default according to the Loan Agreement at Cut-Off Date. The field type is a Percentage.
177. 'Last Payment Date' is the date that the last payment was made. The field type is a Date in the format dd/mm/yyyy.
178. 'Last Payment Amount' is the amount of the last payment. The field type is a Number.
179. 'Next Principal Scheduled Repayment Amount' is the amount of next scheduled principal repayment as at the NPL Portfolio Cut-Off Date. The field type is a Number.
180. 'Next Interest Scheduled Repayment Amount' is the amount of next scheduled interest repayment as at the NPL Portfolio Cut-Off Date. The field type is a Number.
181. 'Next Principal Scheduled Repayment Date' is the date that the next scheduled principal repayment is made as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.

182. 'Next Interest Scheduled Repayment Date' is the date that the next scheduled interest repayment is made as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.
183. 'Interest Payment Frequency' is the frequency that the interest payment is currently made based on the current Loan Agreement as at the NPL Portfolio Cut-Off Date. Where the field type is a Choice field populated by:
- (a) Monthly;
  - (b) Quarterly;
  - (c) Semi-Annually;
  - (d) Annually;
  - (e) Daily;
  - (f) Other.
184. 'Principal Payment Frequency' is the frequency that the principal payment is currently made based on the current Loan Agreement as at the NPL Portfolio Cut-Off Date. Where the field type is a Choice populated by the list identified in the data field in Part II Section 5, 'Interest Payment Frequency'.
185. 'Past-Due Principal Amount' is the accumulated amount of past-due principal as recognised on the balance sheet at the NPL Portfolio Cut-Off Date. The field type is a Number.
186. 'Past-Due Interest Amount' is accumulated amount of past-due interest as recognised on the balance sheet at the NPL Portfolio Cut-Off Date. The field type is a Number.
187. 'Other Past-Due Amounts' is the accumulated amount of other past-due amounts, as recognised on balance sheet at the NPL Portfolio Cut-Off Date. The field type is a Number.
188. 'Total Past-Due Amount' is the total past-due amount which is to equal Past-Due Principal Amount + Past-Due Interest Amount + Other Past-Due Amount. The field type is a Number.
189. 'Capitalised Past-Due Amount' is the total capitalised past-due balance as recognised on the balance sheet at the NPL Portfolio Cut-Off Date. Where the amount includes interest and legal fees. The field type is a Number.
190. 'Days in Past-Due' are the number of days that the loan currently is past-due as at the NPL Portfolio Cut-Off Date. Where Past-Due is defined in Article 178 of Regulation (EU) No 575/2013 (CRR) and accompanying EBA's Guidelines on the application of the definition of Past-Due. The field type is a Number.

191. 'Time in Past-Due' is the total number of months that the loan has been in past-due in the past 12 months. This is the accumulated number of days (reported in months), which the loan has been Past-Due in the past 12 months. This means that between Past-Due Events the Institution may have received payments from the Counterparty to reduce the amount of the outstanding loan balance. The materiality threshold for a credit obligation past-due is defined by Article 178(6) of the CRR. The field type is a Number.

192. 'Number of Past-Due Events' are the number of times that the loan was previously categorised as past-due. These are all Past-Due Events since origination of the loan. The field type is a Number.

193. 'Loan Status' is the performance status of the loan. The field type is a Choice field populated by:

- (a) Performing;
- (b) Non-performing as defined in table F18 in Annex V to Implementing Regulation (EU) No 680/2014.

194. 'Non-Performing Reason' is the main reason why the non-performing status was provided. Where non-performing is defined in table F18 in Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Choice field populated by:

- (a) Impaired as defined by IFRS 9.5.5 or the applicable accounting standard;
- (b) Defaulted as defined by CRR Art. 178;
- (c) More than 90 days past due;
- (d) Unlikely to pay.

These choices are already considered as a ranking, which means that in case multiple choice apply, the field will be populated by the choice with the highest rank where (a) is considered the highest and (d) is the lowest.

195. 'Date of Default' is the date that the Loan defaulted. The field type is a Date in the format dd/mm/yyyy.

196. 'Balance at Default' is the Balance of the Loan when the Loan has defaulted. Where Default is as per Article 178 of Regulation (EU) No 575/2013 (CRR). The field type is a Number.

197. 'Charge-off Date' is the date when the loan went into charge-off. Where a charge-off is the declaration by the Institution commonly on unsecured retail when the Borrower is severely delinquent, and the Institution starts the recovery process officially. A Charge-off does not mean a write-off of the debt entirely. The field type is a Date in the format dd/mm/yyyy.

198. 'Legal Balance at Charge-off Date' is the total claim amount when the loan went into charge-off. Where a charge-off is defined as the declaration by the Institution, commonly on unsecured retail, when the Borrower is severely delinquent, and the Institution starts the recovery process officially. A charge-off does not mean a write-off of the debt entirely. The field type is a Number.
199. 'Code of Conduct' is the indicator as to whether the loan is subject to a certain Code of Conduct. Code of Conduct is any regulation, good practice or law which governs the treatment of the Counterparty. The field type is Boolean.
200. 'Comments on Code of Conduct' is a description, further comments or details on the Code of Conduct. In particular the text is to detail as to whether there are any country specific Codes of Conduct that the institutions adopt. The field type is Text.
201. 'Syndicated Loan' is the indicator as to whether the loan is provided by a syndicate or consortium of two or more institutions. This means that in case of a syndicated loan the Institution holds less than 100% of the total loan. The field type is Boolean.
202. 'Syndicated Portion' is the percentage of the total loan held by the Institution when 'Yes' is selected in field 'Syndicated Loan'. The field type is a Percentage.
203. 'Other Syndicate Counterparties' are the names of the other syndicate participants when 'Yes' is selected in field 'Syndicated Loan'. The field type is Text.
204. 'Securitised' is the indicator as to whether the loan has been securitised or is within a covered bond pool. The field type is Boolean.
205. 'Loan Covenants' is a list of the covenants as agreed in the current Loan Agreement as at the NPL Portfolio Cut-Off Date, where each covenant is represented in a separate column. The field type is a Choice field populated by:
- (a) Loan to Value (LTV) is the ratio of a loan to the value of the collateral purchased;
  - (b) Interest Coverage Ratio (ICR) is the ratio of earnings before interest and tax to the interest expense in the same period;
  - (c) Debt Service Coverage Ratio (DSCR) is the ratio of annual net operating income to debt obligations owed in the last 12m;
  - (d) Other.
206. 'Trigger Levels of Loan Covenants' is the corresponding trigger levels of the loan covenants as agreed in the Loan Agreement, as at the NPL Portfolio Cut-Off Date, each in a separate column. The field type is a Number.
207. 'Current Covenant Levels' are the current levels of covenants as at last covenant date. Data is provided for all loan covenants as provided under the loan covenant, and therefore the current status of the respective covenant levels can be easily compared with their levels as agreed on in the Loan Agreement as at the NPL Portfolio Cut-Off Date. The field type is a Number.

208. 'Last Covenant Test Date' is the date that the covenant levels were tested last time by the Institution as at the NPL Portfolio Cut-Off Date. The field type is a Date in the format dd/mm/yyyy.
209. 'Internal Credit Rating at Origination' is the internal credit rating issued to the loan applicable at the point of time when the Counterparty became a customer. The Institution is to provide the internal methodology used to decide the rating as a part of the transaction documents in annex to the data tape. The Internal Credit Rating at Origination is in some instances the same at Counterparty level as it is at loan level. The field type is Text.
210. 'External Credit Rating at Origination' is External credit rating issued to the loan applicable at the point of time when the Counterparty became a customer and choose the lowest one if there are multiple ratings. The External Credit Rating at Origination is in some instances the same at Counterparty level as it is at loan level. The field type is Text.
211. 'Source of External Credit Rating at Origination' is from which credit rating agency where the External Credit Rating at Origination was obtained. The Source of External Credit Rating at Origination is in some instances the same at Counterparty level as it is at loan level. The field type is a Text.
212. 'Current Internal Credit Rating' is the internal credit rating issued to the loan applicable at the NPL Portfolio Cut-Off Date. The Institution is to provide the internal methodology used to decide the rating as a part of the transaction documents in annex to the data tape. The Current Internal Credit Rating is in some instances the same at Counterparty level as it is at loan level. The field type is Text.
213. 'Current External Credit Rating' is the external credit rating issued to the loan applicable at the NPL Portfolio Cut-Off Date. The Current External Credit Rating is in some instances the same at Counterparty level as it is at loan level. The field type is Text.
214. 'Source of Current External Credit Rating' is from which credit rating agency where the external credit rating at the NPL Portfolio Cut-Off Date was obtained. The field type is Text.
215. 'Specialised Product' is the indicator as to whether the loan is a specialised product. Specialised products are those which are considered by the Institution as non-common Loan Agreements, as they consider their potential split of the loan into different parts or other similar arrangements. The field choice is Boolean.
216. 'Relevant Schemes' is the indicator as to whether the loan is involved with any relevant schemes. Relevant Schemes are government schemes that impact the credit quality of the loan as they provide a guarantee, a subsidy or other similar means. Schemes can also be provided by local authorities or public sector entities. The field type is Boolean.
217. 'Description of Relevant Schemes' is a description of the relevant schemes if 'Yes' is selected in field 'Relevant Schemes'. The field type is Text.

218. 'Subsidy' is the indicator as to whether contractual payments are subsidised by an external party. A subsidy can be provided through a scheme but also through an external third party. The field type is Boolean.
219. 'Subsidy Provider' is the name of the external party who provides the subsidy. The field type is Text.
220. 'Start Date of Subsidy' is the date that the current subsidy starts. The field type is a Date in the format dd/mm/yyyy.
221. 'End Date of Subsidy' is the date that the current subsidy ends. The field type is a Date in the format dd/mm/yyyy.
222. 'Subsidy Amount' is the total or average amount of the subsidy received. The field type is a Number.
223. 'Recourse to Other Assets' is the indicator as to whether the Institution has the legal right to access other assets of the Borrower. The field type is Boolean.
224. 'Covenant Waiver' is the indicator as to whether there has been a covenant waiver sent out for any breaches of the Loan Agreement. The field type is Boolean.
225. 'Comments on Covenant Waiver' are the further comments or details on the covenant waiver if 'Yes' is selected in field 'Waiver'. The field type is Text.
226. 'MARP Applicable' is the indicator as to whether a Mortgage Arrears Resolution Process is applicable when dealing with Private Individual Counterparties in mortgage arrears. The field is only applicable to Ireland. The field type is Boolean.
227. 'MARP Entry' is the date that the loan entered into the current MARP process. The field is only applicable to Ireland and Private Individual Counterparties. The field type is a Date in the format dd/mm/yyyy.
228. 'MARP Status' is the status of the current MARP. The field is only applicable to Ireland and Private Individual Counterparties. The field type is a Choice field populated by:
- (d) Not in MARP;
  - (e) Exited MARP;
  - (f) Provision 23, 31 days in arrears;
  - (g) Provision 24, Financial difficulty;
  - (h) Provision 28, Not co-operating warning;
  - (i) Provision 29, Not co-operating;
  - (j) Provision 42, Restructure offer;

- (k) Provision 45, Restructure declined by seller;
- (l) Provision 47, Restructure declined by borrower;
- (m) Self-Cure;
- (n) Alternative Repayment Arrangement (ARA).

## 8. HISTORICAL COLLECTION AND REPAYMENT SCHEDULE

229. 'Contract Identifier' is the Institutions internal identifier for the loan. The field type is Text.
230. 'Instrument identifier' is the institution's internal identifier for a Loan part. Where Loan is as defined in Part 1 in Annex V to Implementing Regulation (EU) No.6. The field type is Text.
231. 'Total Repayment Schedule' is the total repayment schedules over the next thirty-six months minimum from the NPL Portfolio Cut-Off Date. Where each monthly repayment amount is presented in a separate column. The field type is a Number.
232. 'Principal Repayment Schedule' is the principal repayment schedules over the next thirty-six months minimum from the NPL Portfolio Cut-Off Date. Where each monthly repayment amount is presented in a separate column. The field type is a Number.
233. 'Interest Repayment Schedule' is the interest repayment schedules over the next thirty-six months minimum from the NPL Portfolio Cut-Off Date. Where each monthly repayment amount is presented in a separate column. The field type is a Number.
234. 'History of Legal Unpaid Balances' is the history of total legal unpaid balance from the past thirty-six months minimum from the NPL Portfolio Cut-Off Date. Where each monthly balance is presented in a separate column. The field type is a Number.
235. 'History of Past-Due Balances' is the history of total past-due balance from the past thirty-six months minimum from the NPL Portfolio Cut-Off Date. Where each monthly balance is presented in a separate column. The field type is a Number.
236. 'History of Total Repayments' is the repayment history from the past thirty-six months minimum, including collections by external collection agencies. Where each monthly amount is presented in a separate column. The field type is a Number.
237. 'History of Repayments - Not From Asset Sales' are the repayments made by the Counterparty for the past Thirty-six months minimum from the NPL Portfolio Cut-Off Date, excluding asset sales, including collections by external collection agencies. Where each monthly amount is presented in a separate column. The field type is a Number.
238. 'History of Repayments - From Asset Sales' are the repayments made by the asset disposal from the past thirty-six months minimum from the NPL Portfolio Cut-Off

Date. Where each monthly amount is presented in a separate column. The field type is a Number.

239. 'History of Outstanding Balances Since Charge-off' is the history of outstanding balances of all the unsecured retail loans. The unsecured retail loan amount is either on the book or historically on the book, and since the loan went into charge-off, each monthly balance presented in a separate column. This is to show the history of the loan balances of a wider NPL Portfolio, rather than the balances included in the transferred NPL portfolio. Where charge-off is the declaration by the Institution commonly on unsecured retail when the Counterparty is severely delinquent, and the Institution starts the recovery process officially. A charge-off does not mean a write-off of the debt entirely. The field type is a Number.

240. 'History of Charges/Interest Since Charge-off' is the history of actual charges or interest of all the unsecured retail loans, either on the book or historically on the book, and since the loan went into charge-off, each monthly amount presented in a separate column. Where charge-off is the declaration by the Institution commonly on unsecured retail when the Counterparty is severely delinquent, and the Institution starts the recovery process officially. The field type is a Number.

241. 'History of Payments Since Charge-off' is the history of actual payments of all the unsecured retail loans, either on the book or historically on the book, and since the loan went into charge-off, each monthly amount presented in a separate column. Where charge-off is the declaration by the Institution commonly on unsecured retail when the Counterparty is severely delinquent, and the Institution starts the recovery process officially. The field type is a Number.

## 9. EXTERNAL COLLECTION

242. 'Type of Identifier' is the indicator as to whether the external debt collections have been prepared on a Counterparty level or on Loan level. The field type is a Choice field populated by:

- (a) Counterparty;
- (b) Loan.

243. 'Institution's internal identifier for the Loan / Counterparty' is the unique internal identifier for either the Counterparty or the loan as defined in the field 'Type of Identifier'. The field type is Text.

244. 'Instrument identifier' is the institution's internal identifier for a Loan part. Where Loan is as defined in Part 1 in Annex V to Implementing Regulation (EU) No.6. The field type is Text.

245. 'Name of External Debt Collection Agent' is the name of the external debt collection agent. The field type is Text and the data field is expected to be treated as confidential for all countries.

246. 'Registration number' is the company registration number of the external debt collection agent according to the registration with the country specific registration office. The field type is Text and the data field is expected to be treated as confidential for all countries.
247. 'Legal Entity Identifier' is the global standard 20-character corporate identifier of the external debt collection agent. The field type is a Choice field and the data field is expected to be treated as confidential for all countries, populated using ISO 17442.
248. 'Date Sent to Agent' is the date that the Counterparty's loan was sent to the external debt collection agent. The field type is a Date in the format dd/mm/yyyy.
249. 'Date Returned from Agent' is the date that the loan was received back from the last external collection agent. When the agent stopped recovery efforts and passed the loan back to the Institution. The field type is a Date in the format dd/mm/yyyy.
250. 'Quantity Returned from Agent' is the amount of times that the loan was received back from the external debt collection agent. The field type is a Number.
251. 'Balance Amount Sent to Agent' is the total balance that was sent to the External Debt Collection Agent'. The field type is a Number.
252. 'Cash Recoveries' are the total cash collections by the external collection agent. The field type is a Number.
253. 'Costs Accrued' is the total amount of costs accrued for external debt collection as at the NPL Portfolio Cut-Off Date. The field type is a Number.
254. 'Principal Forgiveness' is the amount of the principal that was forgiven by the external debt collection agent as part of recovery negotiations. Where forgiveness is the process where there is a debt and no return is required. The field type is a Number.
255. 'Repayment Plan' is the indicator as to whether a repayment plan has been agreed between the external debt collection agency and the Counterparty. The field type is Boolean.
256. 'Repayment Plan Description' is a description of the repayment plan which has been agreed with the external debt collection agency and the Counterparty. The field type is Text.

## 10. FORBEARANCE

257. 'Type of Identifier' is the indicator as to whether Forbearance has been prepared on a Counterparty level or a Loan level. The field type is a Choice field populated by:
- (a) Counterparty;
  - (b) Loan.

258. 'Institution's internal identifier for the Counterparty / Loan' is the unique internal identifier for either the Counterparty or the loan as defined in the field 'Type of identifier'. The field type is Text.
259. 'Instrument identifier' is the institution's internal identifier for a Loan part. Where Loan is as defined in Part 1 in Annex V to Implementing Regulation (EU) No.6. The field type is Text.
260. 'Type of Forbearance' is the type of current Forbearance. Where forbearance is as defined in table F19 in Annex V to Implementing Regulation (EU) No 680/2014. The field type is a Choice field populated by:
- (a) Loan maturity date extension;
  - (b) Amortisation change;
  - (c) Principal write-off;
  - (d) Temporary rate reduction;
  - (e) Capitalisation of interest;
  - (f) Capitalisation of costs advanced: which is insurance and ground rent;
  - (g) Combination;
  - (h) Other.
261. 'Description of Forbearance' is the further comments or details on the current forbearance. The field type is Text.
262. 'Date of First Forbearance' is the date that the first forbearance happened. Where the field type is a Date in the format dd/m/yyyy.
263. 'Number of Historical Forbearance's' is the number of forbearance(s) that happened in the past. The field type is a Number.
264. 'Principal Forgiveness' is the amount of the principal that was forgiven as part of current forbearance, including principal forgiveness agreed by external collection agencies. The field type is a Number.
265. 'Date of Principal Forgiveness' is the date that the principal forgiveness happened. The field type is a Date in the format dd/mm/yyyy.
266. 'Start Date of Forbearance' is the date that the current forbearance commenced. The field type is a Date in the format dd/mm/yyyy.
267. 'End Date of Forbearance' is the date that the current forbearance arrangement ends. The field type is a Date in the format dd/mm/yyyy.

268. 'Repayment Amount Under Forbearance' is the periodic repayment amount that the Institution and Counterparty agreed under the current forbearance terms. The field type is a Number.
269. 'Repayment Frequency Under Forbearance' is the frequency that the repayment under current forbearance terms is made. Where the field type is a Choice populated by the list identified in the data field in Part II Section 5, 'Interest Payment Frequency'.
270. 'Date of Repayment Step Up' is the date at which the current agreed forbearance amount is increased. The field type is a Date.
271. 'Amount of Repayment Step Up' is the additional amount that the current agreed forbearance amount is increased by. The field type is a Number.
272. 'Interest Rate under Forbearance' is the interest rate that the Institution and Counterparty agreed under the current forbearance terms. The field type is a Percentage.
273. 'Clause to Stop Forbearance' is the indicator as to whether a clause exists to allow the Institution to stop the current forbearance. The field type is Boolean.
274. 'Description of the Forbearance Clause' are the further comments or details on the clause if 'Yes' is selected in field 'Clause to Stop Forbearance'. The field type is Text.

## 11. PROPERTY COLLATERAL

275. 'Protection Identifier' is the institution's internal identifier for the Property Collateral. Where immovable property is used as collateral for loans and is as defined in table F13 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.
276. 'Legal Owner of the Property' is the Legal Owner of the Property Collateral. The field type is Text.
277. 'Register of Deeds Number' is the registration number of the Property. The field type is Text and the data field is expected to be treated as confidential for some countries.
278. 'Sector of Property' is the sector which the property is used for. The field type is a Choice field populated by:
- (a) Commercial Real Estate;
  - (b) Residential Real Estate.
279. 'Type of Property' is the type of the property. The field type is a Choice field populated by:
- (a) Semi-detached house;

- (b) Detached house;
- (c) Apartment;
- (d) Terrace;
- (e) Garage
- (f) Caravan Park;
- (g) Car Park;
- (h) Health Care;
- (i) Hospitality / Hotel;
- (j) Industrial;
- (k) Land – agriculture;
- (l) Land - zoning;
- (m) Land - permit;
- (n) Leisure;
- (o) Multifamily;
- (p) Mixed Use;
- (q) Office;
- (r) Bar / Pub;
- (s) Restaurant;
- (t) Retail;
- (u) High street retail;
- (v) Commercial centre;
- (w) Self-Storage;
- (x) Warehouse;
- (y) Other.

280. 'Type of Occupancy' is the type of occupancy. If there are multiple properties then base the selection on the option that defines the main property in terms of value. The field type is a Choice field populated by:

- (a) Owner-occupied;

- (b) Partially owner-occupied, defined as a property that is partly rented;
- (c) Tenanted;
- (d) Vacant;
- (e) Other.

281. 'Purpose of Property' is a Choice field populated by:

- (a) Investment property;
- (b) Owner occupied;
- (c) Buy-to-let;
- (d) Other.

282. 'Condition of Property' is the quality classification of the property. The Institution is to provide the internal methodology used to decide the categories as a part of the transaction documents in annex to the data tape. The field type is a Choice field populated by:

- (a) Excellent;
- (b) Good;
- (c) Fair;
- (d) Poor.

283. 'Address of Property' is the street address where the property is located at, including the flat or house, number or name. The field type is Text and the data field is expected to be treated as confidential for some countries.

284. 'City of Property' is the city where the property is located at. The field type is a Choice field populated using UN/LOCODE.

285. 'Geographic Region of Property' is the province or region where the property is located. The field type is a Choice field populated using NUTS3.

286. 'Geographic Region Classification' is the NUTS3 classification used for the field 'Geographic Region of Property'. The field type is a Choice field.

287. 'Property Postcode' is the Postcode where the property is located. The field type is Text and the data field is expected to be treated as confidential for some countries.

288. 'Property Country' is the Country of residence where the property is located. The field type is a Choice field populated using ISO 3166 ALPHA-2.

289. 'Area Type of Property' is the type of area where the property is located. The field type is a Choice field populated by:

- (a) Prime city centre;
- (b) City centre;
- (c) City non-centre;
- (d) Suburban;
- (e) Rural.

290. 'Year of Construction' is the year that the property was completed. The field type is a Date in the format yyyy.

291. 'Year of Refurbishment' is the year in which the last significant refurbishment was completed. The field type is a Date in the format yyyy.

292. 'Tenure' are the conditions under which the property is held or occupied. The field type is a Choice field populated by:

- (a) Freehold;
- (b) Leasehold;
- (c) Other.

293. 'Remaining Term of Leasehold' is the remaining term of the leasehold in months when 'Leasehold' is selected in field 'Tenure'. The field type is a Number.

294. 'Number of Bedrooms' are the number of bedrooms that the Unit has. The field type is a Number.

295. 'Number of Rooms' are the number of rooms that the Unit has excluding kitchen and bathroom(s). The field type is a Number.

296. 'Building Area (M2)' is the building area (square metres) of the Unit. The field type is a Number.

297. 'Building Area (M2) Lettable' is the building area (square metres) of the Unit that is lettable. The field type is a Number.

298. 'Building Area (M2) Occupied' is the building area (square metres) of the Unit that has been occupied by a Counterparty. The field type is a Number.

299. 'Number of Lettable Units' are the number of lettable units that the property has. The field type is a Number.

300. 'Number of Units Vacant' are the number of vacant lettable units that the property has. The field type is a Number.

301. 'Number of Units Occupied' are the number of occupied lettable units that the property has. The field type is a Number.

302. 'Land Area (M2)' is the area of land surrounding the property (square metres) of the property. The field type is a Number.
303. 'Number of Car Parking Spaces' are the number of car parking spaces relating to the property. The field type is a Number.
304. 'Currency of Property' is the currency that the valuation and cash flows related to the property are expressed in. The field type is a Choice field populated using ISO 4217 Currency Codes.
305. 'Initial Valuation Amount' is the value of the Unit assessed at loan origination. The field type is a Number.
306. 'Date of Initial Valuation' is the date that the initial valuation was assessed. The field type is a Date in the format dd/mm/yyyy.
307. 'Internal/External Initial Valuation' is the indicator as to whether the initial valuation was outsourced, or done internally. The field type is a Choice field populated by:
- (a) Internal
  - (b) Outsourced
308. 'Type of Initial Valuation' is the type of process used to value the Unit. The field type is a Choice field populated by:
- (a) Full Appraisal;
  - (b) Drive-by;
  - (c) Automated Valuation Model;
  - (d) Indexed;
  - (e) Desktop;
  - (f) Managing or Estate Agent;
  - (g) Purchase Price;
  - (h) Mark to market;
  - (i) Counterparties Valuation;
  - (j) Other.
309. 'Provider of Initial Valuation' is the Name of the external appraiser or managing / estate agent is when the type of initial valuation is external. The field type is Text and the data field is expected to be treated as confidential for some countries.

310. 'Initial Estimated Rental Value' is the estimated annual gross rental value of the Unit assessed at loan origination. The field type is a Number.
311. 'Latest Valuation Amount' is the value of the Unit when last assessed and where multiple valuations are given preference is given to the third party valuation. The field type is a Number.
312. 'Date of Latest Valuation' is the date that the latest valuation was assessed. The field type is a Date in the format dd/mm/yyyy.
313. 'Internal/External Latest Valuation' is the indicator as to whether the latest valuation was outsourced, or done internally. The field type is a Choice field populated by:
- (c) Internal
  - (d) Outsourced
314. 'Type of Latest Valuation' is the type of the latest valuation for the property. The field type is a Choice field populated by:
- (a) Full Appraisal;
  - (b) Drive-by;
  - (c) Automated Valuation Model;
  - (d) Indexed;
  - (e) Desktop;
  - (f) Managing or Estate Agent;
  - (g) Purchase Price;
  - (h) Hair Cut;
  - (i) Mark to market;
  - (j) Counterparties Valuation;
  - (k) Other.
315. 'Provider of Latest Valuation' is the name of the external appraiser or managing or estate agent when 'Full Appraisal' or 'Managing or Estate Agent' is selected in field 'Type of Latest Valuation'. The field type is Text and the data field is expected to be treated as confidential for some countries.
316. 'Latest Estimated Rental Value' is the estimated annual gross rental value of the Unit when last assessed. The field type is a Number.
317. 'Current Annual Passing Rent' is the current annual passing rent charged to the tenants of the Unit as at the latest valuation date. The field type is a Number.

318. 'Current Opex and Overheads' is the total of the current annual operational expenses and overheads for the Unit as at the latest valuation date. The field type is a Number.
319. 'Planned CAPEX next 12m' is the current planned CAPEX for the next 12 months. The field type is a Number.
320. 'Current Net Operating Income' is the current annual net operating income generated by the property as at the latest valuation date. The field type is a Number.
321. 'Estimated Rental Void' is the estimated number of months the Unit is expected to be void. Where void is defined as a period where a landlord does not have a tenant paying rent. The field type is a Number.
322. 'Estimated Annual Void Cost' are the additional costs to 'Current Opex and Overheads' when the Units are vacant. The field type is a Number.
323. 'VAT Payable' is the indicator as to whether the VAT is payable on the disposal of the Unit. The field type is Boolean.
324. 'Party Liable for VAT' is the party who is liable to pay the VAT on the disposal of the Unit. Where the field type is a Choice populated by:
- (a) Institution;
  - (b) Buyer(s);
  - (c) Counterparty.
325. 'Amount of VAT Payable' is the amount of VAT payable on the disposal of the Unit. The field type is a Percentage.
326. 'Completion of Property' is the indicator as to whether the construction of the Unit is complete. The field type is Boolean.
327. 'Percentage Complete' is the percentage of development completed since construction started. This field is only applicable to the units in development. The field type is a percentage.
328. 'Value of Energy Performance Certificate' is the value stated on the Energy Performance Certificate as defined in the EU Energy Efficiency Directive 2012. Where the field type is a Choice populated by:
- (a) A;
  - (b) B;
  - (c) C;
  - (d) D;
  - (e) E;

(f) F;

(g) G.

329. 'Provider of Energy Performance Certificate' is the name of the provider of the energy performance certificate. The field type is Text and the data field is expected to be treated as confidential for some countries.

330. 'Enforcement Status' is the indicator as to whether the units have entered into the enforcement process as at NPL Portfolio Cut-Off Date. The field type is Boolean.

331. 'Enforcement Status Third Parties' is the indicator as to whether any other secured creditors have taken steps to enforce security over the units as at NPL Portfolio Cut-Off Date. The field type is Boolean.

332. 'Enforcement Description' is a description of the stage of enforcement that the units is in. The field type is Text.

## 12. RELATIONSHIP – PROPERTY COLLATERAL

333. 'Protection Identifier' is the institution's internal identifier for the Property Collateral. Where immovable property is used as collateral for loans and is as defined in table F13 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.

334. 'Contract Identifier' is the institution's internal identifier for the loan as defined in section 'Loan'. Where the Relationship table is added for demonstrating the relationships between loans and properties. The field type is Text.

335. 'Mortgage Identifier' is the institution's internal identifier for the Mortgage Agreement. The field type is Text.

336. 'Mortgage Amount' is the mortgage amount is defined as the mortgage lending value as per the Regulation (EU) No 575/2013, Article 4(74) CRR 126. The field type is a Number.

337. 'Lien Position' is the highest lien position(s) held by the Institution in relation to the Property. The field type is a Number.

338. 'Higher Ranking Loan' is the amount of higher ranking lien loan(s) secured against the property that are not held by the Institution. The field type is a Number.

339. 'Higher ranking Claimant' is the names of higher ranking claimant(s). The field type is Text.

## 13. LEASE

340. 'Lease Identifier' is the institution's internal identifier for the Lessee. The field type is Text.

341. 'Protection Identifier' is the institution's internal identifier for the Property Collateral. Where immovable property is used as collateral for loans and is as defined in table F13 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.
342. 'Rent Coverage Ratio' is the ratio to measure how many times over the Counterparty could pay the rent using his annual income and is calculated by dividing the salary by the gross rent. The field type is a Number.
343. 'Written Formal Lease' is the indicator as to whether there is a written formal lease in place. The field type is Boolean.
344. 'Start Date of Lease' is the date that the current lease started. The field type is a Date in the format dd/mm/yyyy.
345. 'End Date of Lease' is the date that the current lease ends ended or will end. Where the field type is a Date in the format dd/mm/yyyy.
346. 'Lease Break Option' are the details of any lease break clause(s). The field type is Text.
347. 'Type of Lease Break Option' is the type of lease break option. The field type is a Choice field populated by:
- (a) Tenant Unilateral;
  - (b) Landlord Unilateral;
  - (c) Mutual break clause.
348. 'Currency of Lease' is the currency that the lease is expressed in. The field type is a Choice field populated using ISO 4217 Currency Codes.
349. 'Type of Lease' is the type of the lease agreement with the Counterparty. The field type is a Choice field populated by:
- (a) Triple Net, where the Counterparty pays the base rental amount plus operating costs, including real estate taxes, insurance, maintenance, and repairs;
  - (b) Net-Net Lease, where the Counterparty pays the base rental amount, real estate taxes, and insurance premiums.
350. 'Current Annual Passing Rent' is the current annual rent paid by the Counterparty based on the lease agreement. Where the field choice is a Number.
351. 'Rent in Past-Due' is the amount of rent in past-due as at the NPL Portfolio Cut-Off Date. The field type is a Number.
352. 'Status of Lease Payment' is the arrears status of the lease payment as at the NPL Portfolio Cut-Off Date. The field type is a Choice field populated by:

- (a) 0-30 days;
- (b) 31-60 days;
- (c) 61-90 days;
- (d) 90+ days past due.

353. 'Last Rent Review Date' is the date that the last rent review event happened. The field type is a Date in the format dd/mm/yyyy.

354. 'Next Rent Review Date' is the date that the next rent review event will happen. The field type is a Date in the format dd/mm/yyyy.

355. 'Rent Review Structure' is the methodology stated in the lease for rent reviews as per the Loan Agreement. Where an example would be where the rent is indexed to the area average and can't be decreased. The field type is Text.

356. 'Rent Review Interval' is the number of months between the next two rent review events. The field type is a Number.

357. 'Deposit Amount' is the amount of deposit paid by the Counterparty. The field type is a Number.

358. 'Currency of Deposit' is the currency that the deposit paid by the Counterparty is expressed in. The field type is a Choice field populated using ISO 4217 Currency Codes.

#### 14. 'NON-PROPERTY COLLATERAL

359. 'Protection Identifier' is the institution's internal identifier for the Non-Property Collateral. Where movable property is used as collateral for loans and is as defined in table F13 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.

360. 'Legal Owner' is the legal owner of the collateral. The field type is Text and the data field is expected to be treated as confidential for some countries.

361. 'Type of Legal Owner' is the type of the legal owner. The field type is a Choice field, which is populated by list identified in the data field in Part II Section 2, 'Type of Sponsor'.

362. 'Registration Number' is the registration number or other unique identifier of the collateral. The field type is Text and the data field is expected to be treated as confidential for some countries.

363. 'Collateral Type' is the physical type of the collateral. The field type is a Choice field populated by:

- (a) Auto Mobile Vehicles;

- (b) Industrial Vehicles;
- (c) Commercial Trucks;
- (d) Rail Vehicles;
- (e) Nautical Commercial Vehicles;
- (f) Nautical Leisure Vehicles;
- (g) Aeroplanes;
- (h) Machine Tools;
- (i) Industrial Equipment;
- (j) Office Equipment;
- (k) Medical Equipment;
- (l) Energy Related Equipment;
- (m) Other Vehicles;
- (n) Other Equipment;
- (o) Other goods/inventory;
- (p) Securities;
- (q) Guarantee;
- (r) Corporate guarantee
- (s) Life insurance;
- (t) Deposit;
- (u) Floating Charge;
- (v) Other financial asset.

364. 'Description' is a detailed description of the collateral. In Spain, where the real estate sits within a company as a guarantee, and then the SPV acts as the collateral, describe the real estate asset in this description field. The field type is Text.

365. 'Currency of Collateral' is the currency that the valuation and cash flows related to the collateral are expressed in. The field type is a Choice field populated using ISO 4217 Currency Codes.

366. 'Guarantee Amount' is the total potential claim amount of the guarantee when 'Guarantee' is selected in field 'Collateral Type'. The field type is a Number.

367. 'Activation of Guarantee' is the indicator as to whether the guarantee has been activated when 'Guarantee' is selected in field 'Collateral Type'. The field type is Boolean.
368. 'Initial Valuation Amount' is the value of the collateral assessed at loan origination. The field type is a Number.
369. 'Date of Initial Valuation' is the date at which the initial valuation was assessed. The field type is a Date in the format dd/mm/yyyy.
370. 'Type of Initial Valuation' is the type of the initial valuation. The field type is a Choice field populated by:
- (a) Full Appraisal;
  - (b) Drive-by;
  - (c) Automated Valuation Model;
  - (d) Indexed;
  - (e) Desktop;
  - (f) Managing or Estate Agent;
  - (g) Purchase Price;
  - (h) Hair Cut;
  - (i) Mark to market;
  - (j) Counterparties Valuation;
  - (k) Other.
371. 'Initial Residual Value' is the estimated residual value of the collateral at loan origination. Residual value refers to how much the collateral was expected to be worth at end of the loan term. The field type is a Number.
372. 'Initial Residual Valuation Date' is the date at which the initial residual value of the collateral was assessed. Residual value refers to how much the collateral was expected to be worth at end of the loan term. The field type is a Date in the format dd/mm/yyyy.
373. 'Latest Valuation Amount' is the value of the collateral when last assessed. The field type is a Number.
374. 'Date of Latest Valuation' is the date that the latest valuation took place. The field type is a Date in the format dd/mm/yyyy.

375. 'Type of Latest Valuation' is the type of the latest valuation for the collateral. The field type is a Choice field populated by the fields listed in the data field, 'Type of Initial Valuation'.
376. 'Latest Residual Value' is the estimated residual value of the collateral when last assessed. Residual value refers to how much the collateral will be worth at end of the loan term. The field type is a Number.
377. 'Date of the Latest Residual Valuation' is the date that the latest residual value of the collateral was assessed. Residual value refers to how much the collateral is expected to be worth at end of the loan term. The field type is a Date in the format dd/mm/yyyy.
378. 'Current Opex and Overheads' are the current annual operational expenses and overheads of running the collateral as at the NPL Portfolio Cut-Off Date. The field type is a Number.
379. 'Asset Purchase Obligation' is the indicator as to whether there is an obligation for the Counterparty to purchase the collateral at the end of the lease. The field type is Boolean.
380. 'Option to Buy Price' is the amount the Counterparty will pay at the end of the lease in order to take ownership of the collateral. The field type is a Number.
381. 'Year of Registration' is the year that the collateral was registered. The field type is a Date in the format yyyy.
382. 'Configuration' is the specification and option list of the collateral. The field type is Text.
383. 'Original Country of Registration' is the country that the collateral was originally registered in. The field type is a Choice field populated using ISO 3166 ALPHA-2.
384. 'Current Country of Registration' is the country that the collateral is currently registered in as at NPL Portfolio Cut-Off Date. The field type is a Choice field populated using ISO 3166 ALPHA-2.
385. 'Estimated Useful Life' is the estimated remaining useful life of the unit as at the NPL Portfolio Cut-Off Date. The field type is a Number.
386. 'Year of Manufacture' is the year that the unit was manufactured or first sold. The field type is a Date in the format yyyy.
387. 'Manufacturer of Collateral' is the name used to refer to the manufacturer of the collateral. The field type is Text.
388. 'Name or Model of Collateral' is the name or model of the collateral. The field type is Text.
389. 'Engine Size' is the engine size (litres) of the collateral. The field type is a Number.

390. 'New Or Used' is the condition of the collateral at loan origination. Where the field type is a Choice populated by:

(a) New;

(b) Used.

391. 'Collateral Insurance' is the indicator as to whether there is an insurance policy on the collateral. The field type is Boolean.

392. 'Collateral Insurance Coverage Amount' is the amount that the collateral insurance covers. The field type is a Number.

393. 'Collateral Insurance Provider' is the name of the collateral insurance provider. The field type is Text and the data field is expected to be treated as confidential for some countries.

394. 'Enforcement Status' is the indicator as to whether the Non-Property Collateral has entered into the enforcement process as at the NPL Portfolio Cut-Off Date. The field type is Boolean.

395. 'Enforcement Status Third Parties' is the indicator as to whether the Non-Property Collateral has been enforced on by third parties as at the NPL Portfolio Cut-Off Date. The field type is Boolean.

396. 'Enforcement Description' is a description of the stage of enforcement that the Property Collateral is in. The field type is Text.

## 15. RELATIONSHIP – NON-PROPERTY COLLATERAL

397. 'Protection Identifier' is the institution's internal identifier for the Non-Property collateral. Where movable property is used as collateral for Loans and is as defined in table F13 in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.

398. 'Contract Identifier' is the institution's internal identifier for the loan as defined in section 'Loan'. Where the Relationship table is added for demonstrating the relationships between loans and collaterals. Where Loan: is defined in Part 1 in Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.

399. 'Lien Position' is the highest lien position(s) held by the Institution in relation to the Non-Property Collateral. The field type is a Number.

400. 'Higher Ranking Loan' is the amount of higher ranking lien loans secured against the Non-Property Collateral that is not held by the Institution and does not form a part of the NPL Portfolio. The field type is a Number.

401. 'Higher Ranking Claimant' is the names of higher ranking claimant(s). The field type is Text.

## 16. ENFORCEMENT

402. 'Protection Identifier' is the institution's internal identifier for the Property or Non-Property Collateral, as defined in Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. The field type is Text.
403. 'Name of Legal Firm' is the name of legal firm acting on behalf of the Institution. The field type is Text and the data field is expected to be treated as confidential for all countries.
404. 'Jurisdiction of Court' is the location of the court where the case is being heard in. The field type is a Choice field populated using ISO 3166 ALPHA-2.
405. 'Currency of Enforcement' is the currency that the items related to enforcement are expressed in. The field type is a Choice field populated using ISO 4217 Currency Codes.
406. 'Indicator of Enforcement' is the indicator as to whether the enforcement process has been entered into by the Corporate or Private Individual Counterparty. The field type is Boolean.
407. 'Enforcement Description' is a description of the stage of enforcement that the Property Collateral is in. The field type is Text.
408. 'Court Auction Identifier' is the unique identifier for the auction process. The field type is Text and the data field is expected to be treated as confidential for all countries.
409. 'Court Appraisal Amount' is the court appraisal of the property or collateral. The field type is a Number.
410. 'Date of Court Appraisal' is the date that the court appraisal occurred. The field type is a Date in the format dd/mm/yyyy.
411. 'Current Market Status' is the current market status of the property or collateral as at the NPL Portfolio Cut-Off Date. Where the field type is choice field populated by:
- (a) On the market, is when the collateral is advertised and marketed for sale;
  - (b) Off the market, is when the collateral is not marketed or up for sale.
412. 'On Market Price' is the price of the property or collateral for which it is on the market. The field type is a Number.
413. 'Offer Price' is the highest price offered by potential buyers. The field type is a Number.
414. 'Sale Agreed Price' is the agreed price for the disposal of the property or collateral. The field type is a Number.
415. 'Gross Sale Proceeds' is the gross sale proceeds including the sales proceeds and the costs incurred from the disposal. The field type is a Number.

416. 'Costs at End of Sale' is the total costs accrued to the seller at end of sale process. The field type is a Number.
417. 'Net Sale Proceeds' are the net sale proceeds. The field type is a Number.
418. 'Costs Accrued to Buyer' is the costs accrued to the buyer. The field type is a Number.
419. 'Collateral Repossessed Date' is the date the lienholder takes possession of an item from its registered owner that was used as collateral for a loan. The field type is a Date in the format dd/mm/yyyy.
420. 'Prepare Property for Sale Date' is the date that the property is prepared for sale. The field type is a Date in the format dd/mm/yyyy.
421. 'Property on Market Date' is the date when the property is on the market. The field type is a Date in the format dd/mm/yyyy.
422. 'On Market Offer Date' is the on market offer date. The field type is a Date in the format dd/mm/yyyy.
423. 'Sale Agreed Date' is the sale agreed date. The field type is a Date in the format dd/mm/yyyy.
424. 'Contracted Date' is the contracted date. The field type is a Date in the format dd/mm/yyyy.
425. 'Sold Date' is the date that the property was sold. The field type is a Date in the format dd/mm/yyyy.
426. 'First Auction Date' is the date of the first auction in order to sell the Property or Collateral. The field type is a Date in the format dd/mm/yyyy.
427. 'Court Auction Reserve Price for First Auction' is the court set reserve price for the first auction, i.e. minimum price required by the court. The field type is a Number.
428. 'Next Auction Date' is the date of the next intended auction to sell the property or non-property collateral. The field type is a Date in the format dd/mm/yyyy.
429. 'Court Auction Reserve Price for Next Auction' is the court set reserve price for next auction. The amount is the minimum price required by the court. The field type is a Number.
430. 'Last Auction Date' is the date that the last auction was performed in order to sell the property or collateral. The field type is a Date in the format dd/mm/yyyy.
431. 'Court Auction Reserve Price for Last Auction' is the court set reserve price for last auction. This is the minimum price required by the court. The field type is a Number.

432. 'Number of Failed Auctions' are the number of failed previous auctions for the property or collateral. The field type is a Number.
433. 'Funds Remitted Partial Date' is the date that the funds were remitted partially. The field type is a Date in the format dd/mm/yyyy.
434. 'Funds Remitted Full Date' is the date that the funds were remitted fully. The field type is a Date in the format dd/mm/yyyy.
435. 'Indicator of Receivership' is the indicator as to whether the Corporate or Private Individual Counterparty is in receivership. The field type is Boolean.
436. 'Name of Receiver' is the name of the receiver appointed. The field type is Text and the data field is expected to be treated as confidential for all countries.
437. 'Date of Receiver Appointment' is the date that the receiver was appointed. The field type is a Date in the format dd/mm/yyyy.
438. 'Fees of Receivership' is the annual fees charged by the receiver. The field type is a Number.
439. 'Insurance' is the indicator as to whether the receiver has insured the property or collateral. The field type is Boolean.
440. 'Insurance Provider' is the name of the insurance provider. The field type is Text and the data field is expected to be treated as confidential for some countries.
441. 'Insurance Coverage Amount' is the amount that the insurance covers. The field type is a Number.
442. 'Annual Insurance Payment' is the annual insurance payment to be paid by receiver. The field type is a Number.
443. 'Date Next Insurance Payment Is Due' is the date that the next insurance payment is due. The field type is a Date in the format dd/mm/yyyy.
444. 'Amount of Outstanding Liabilities' are the amount of accrued costs and fees paid by the receiver and to be invoiced to the Institution. The field type is a Number.
445. 'Other ongoing Enforcement Proceedings' are further comments or details if there are other proceedings in place. The field type is Text.

## 17. SWAP

446. 'Swap Identifier' is the unique swap identifier. The field type is Text.
447. 'Contract Identifier' is the Institution internal identifier for the Loan Agreement. The field type is Text.

448. 'Type of Swap' is the type of the swap, i.e. currency swap and interest rate swap. The swap is at a transaction level as seen in corporate and commercial loans. The field type is a Choice field to be populated by:
- (a) Interest Rate Swap;
  - (b) Currency Swap;
  - (c) Credit Default swap.
449. 'Start Date of Swap' is the date that the swap starts. The field type is a Date in the format dd/mm/yyyy.
450. 'End Date of Swap' is the date that the Swap matures. The field type is a Date in the format dd/mm/yyyy.
451. 'Currency of Swap' is the currency that the swap is expressed in when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is a Choice field populated using ISO 4217 Currency Codes.
452. 'Current Notional' is the current notional amount of the swap. The field type is a Number.
453. 'Type of Interest Rate – Institution' is the type of interest rate for Institution, i.e. Fixed, LIBOR and EURIBOR, when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is Text.
454. 'Interest Rate of Institution Leg' is the current level of the interest rate for the leg of the Institution when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is a Percentage.
455. 'Type of Interest Rate of Counterparty Leg' is the type of interest rate for the Counterparty, i.e. Fixed, LIBOR and EURIBOR when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is Text.
456. 'Interest Rate of Counterparty Leg' is the current level of the interest rate for the leg of the Counterparty when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is a Percentage.
457. 'Interest Rate Cap' is the maximum rate charged on the swap when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is a Percentage.
458. 'Interest Rate Floor' is the minimum rate charged on the swap when 'Interest Rate Swap' is selected in field 'Type of Swap'. The field type is a Percentage.
459. 'Currency of Institution Leg' is the currency of the leg of the Institution when 'Currency Swap' is selected in field 'Type of Swap'. The field type is a Choice field populated using ISO 4217 Currency Codes.

460. 'Currency of Counterparty Leg' is the currency of the leg of the Counterparty when 'Currency Swap' is selected in field 'Type of Swap'. The field type is a Choice field populated using ISO 4217 Currency Codes.
461. 'Mark to Market' is the amount of mark to market of the swap as at the NPL Portfolio Cut-Off Date. The field type is a Number.
462. 'Notional Schedule' is the amortisation profile of the swap from the NPL Portfolio Cut-off until maturity. Where each monthly notional is presented in a separate column. The field type is a Number.

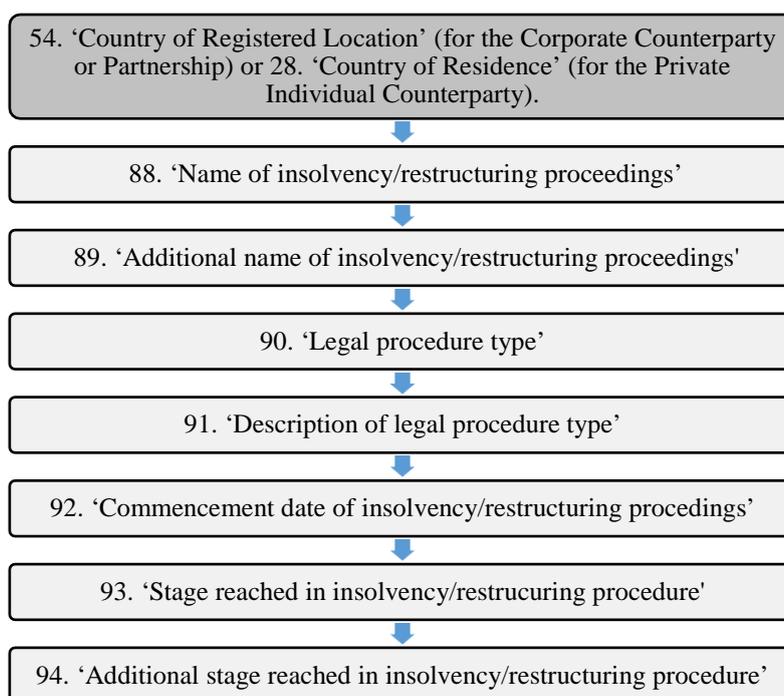
## ANNEX 1: COUNTERPARTY COUNTRY SPECIFIC LEGAL PROCEEDINGS

### INTRODUCTION

Country specificities have been factored in to the extent possible and on a best effort basis, to reflect the restructuring, insolvency and secured-creditor enforcement proceedings applicable in EU Member States. These data fields are indicative, not exhaustive and aim to support a first level country specific analysis. These data fields are not intended to replace legal due diligence and should be confirmed as complete and accurate by a qualified legal counsel.

Annex I provides an indicative, not exhaustive list for the 'Name of insolvency/restructuring proceedings'. Where the country selected in 'Country of Registered Location' (for the Corporate Counterparty or Partnership) or 'Country of Residence' (for the Private Individual counterparty) and 'Name of insolvency or restructuring proceedings' has been selected, a brief summary of the key features of those proceedings is set out below.

The counterparty country specific legal proceedings follows this structure:



<b>AUSTRIA</b>	
<b>LOCAL NAME</b>	Das Abschöpfungsverfahren
<b>ENGLISH TRANSLATION</b>	Proceedings for a levy on income (insolvency proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Available to all natural persons but can only be used by non-entrepreneurs after the individual has tried to reach an out-of-court settlement with his creditors via a debt settlement proposal (unless he has no attachable income or it is only slightly above the subsistence level).</li> <li>• Considered to be the last resort for debtors. Any attachable income of the debtor exceeding the subsistence level will be used to satisfy the claims of creditors for a five-year period.</li> <li>• Approval of an income levy plan automatically terminates insolvency proceedings and a statutory moratorium arises.</li> <li>• The debtor will be granted an automatic debt discharge after five years.</li> <li>• Preferential claims (predominantly employee claims) will usually be paid first.</li> </ul>	
<b>LOCAL NAME</b>	Das Ausgleichsverfahren
<b>ENGLISH TRANSLATION</b>	Composition proceedings
<b>KEY FEATURES</b>	
No longer available. Composition proceedings have been replaced by reorganisation proceedings	
<b>LOCAL NAME</b>	Das Konkursverfahren (Insolvenzverfahren)
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings (insolvency proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-led procedure for companies, partnerships and natural persons.</li> <li>• Instigated by petition filed by the debtor or any insolvency creditor (a creditor whose claim is unsecured and arose prior to the opening of insolvency proceedings) or any creditor who has contractually agreed to be subordinated where there is either impending or actual inability to pay debts or over-indebtedness.</li> <li>• Bankruptcy results in the court appointing an insolvency administrator who realises the debtor's assets and distributes the proceeds to its creditors. The debtor loses the right to dispose of its assets and, in the case of a company or partnership, the insolvency administrator takes over the management of the business from the entity's directors/members.</li> <li>• A statutory moratorium arises after the application for insolvency. After this point, any claims by creditors against the debtor's assets cannot be commenced and claims that are ongoing are suspended.</li> <li>• All claims in respect of the debtor's assets must be filed with the insolvency court.</li> </ul>	
<b>LOCAL NAME</b>	Reorganisationsverfahren nach dem Unternehmensreorganisationsgesetz
<b>ENGLISH TRANSLATION</b>	Reorganisation proceedings under the Business Reorganisation Act
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure enabling solvent companies, partnerships and individuals to reorganise their business to avoid insolvency.</li> <li>• Reorganisation proceedings do not affect creditors' rights.</li> </ul>	
<b>LOCAL NAME</b>	Das Sanierungsverfahren mit Eigenverwaltung (Insolvenzverfahren)
<b>ENGLISH TRANSLATION</b>	Reorganisation proceedings with self-administration (insolvency proceedings)

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Debtor initiated reorganisation proceedings which can apply to natural persons carrying on a business, partnerships, legal persons (eg companies) and estates.</li> <li>• The directors/members/entrepreneur continue(s) to manage the business (subject to some restrictions, e.g. an express prohibition from selling real estate) and an insolvency administrator is appointed by the court to supervise the proceedings. The insolvency administrator must carry out any transactions that are not in the ordinary course of business.</li> <li>• The debtor makes an application to court to initiate proceedings and must deliver a reorganisation plan that provides for the satisfaction of all secured and preferential debts and the repayment of at least 30% by value of unsecured debts within two years.</li> <li>• A majority (in number present at the approval meeting and by value of all claims) of unsecured creditors as well as secured creditors to the extent that they are under-secured must approve the reorganisation plan. If the requisite majority does not approve the plan either prior to the commencement of restructuring proceedings or at the latest 90 days after the opening of proceedings, the proceedings will be converted into bankruptcy proceedings.</li> <li>• If approved and adhered to, the reorganisation plan will terminate the insolvency proceedings automatically and satisfy creditors with preferential and subordinate claims as well as compromising the claims of all unsecured creditors.</li> <li>• A statutory moratorium, affecting enforcement by all creditors, arises after the initiation of proceedings by the debtor.</li> </ul>	
<b>LOCAL NAME</b>	Das Sanierungsverfahren ohne Eigenverwaltung (Insolvenzverfahren)
<b>ENGLISH TRANSLATION</b>	Reorganisation proceedings without self-administration (insolvency proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Debtor-initiated reorganisation proceedings which can apply to natural persons carrying on a business, partnerships, legal persons (e.g. companies) and estates.</li> <li>• The debtor makes an application to court to initiate proceedings and must deliver a reorganisation plan that provides for the satisfaction of all secured and preferential debts as well as claims against the estate (costs of insolvency proceedings, claims from employees, termination claims, claims for the performance of bilateral contracts which the insolvency administrator adopts, claims arising from transactions entered into by the insolvency administrator) and the repayment of at least 20% by value of unsecured debts within two years.</li> <li>• A majority (in number present at the approval meeting and by value of all claims) of unsecured creditors as well as secured creditors to the extent that their claim is under-secured must approve the reorganisation plan.</li> <li>• If the requisite majority does not approve the plan either prior to the commencement of reorganisation proceedings or at the latest 90 days after the opening of proceedings, the proceedings will be automatically converted into bankruptcy proceedings.</li> <li>• The debtor must satisfy creditors with secured and preferential claims as well as claims against the estate and compromise the claims of all unsecured and subordinate creditors in accordance with the plan.</li> <li>• If approved, the restructuring plan will terminate the insolvency proceedings automatically.</li> <li>• A statutory moratorium affecting all creditors arises after the filing of the petition until the insolvency proceedings are terminated through approval of the reorganisation plan.</li> <li>• The insolvency estate is administered by an insolvency administrator.</li> </ul>	
<b>LOCAL NAME</b>	Das Schuldenregulierungsverfahren
<b>ENGLISH TRANSLATION</b>	Debt settlement proceedings (insolvency proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A compulsory form of proceedings for insolvent natural persons (who are not carrying on a business).</li> <li>• The debtor must offer his creditors a settlement plan, payable over a period of seven years. A majority (in number present at the approval meeting and by value of all claims) of unsecured creditors as well as creditors with</li> </ul>	

preferential and subordinate claims - insofar as they suffer a loss - must approve the reorganisation plan. If approved, the individual will continue to manage his own assets.

- A statutory moratorium arises after the initiation of proceedings by the debtor. If the creditors decline the proposed settlement plan, the debtor may ask for Abschöpfungsverfahren (proceedings for an income levy) be initiated.

**Anticipated changes in the next two years**

In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

<b>BELGIUM</b>	
<b>LOCAL NAME</b>	Gerechtelijke reorganisatie (Dutch) La réorganisation judiciaire (French)
<b>ENGLISH TRANSLATION</b>	Judicial reorganisation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A debtor facing financial difficulties may initiate a 'judicial reorganisation' procedure which comprises a debt restructuring scheme under the supervision of the court. The debtor will be granted a moratorium and remains in control of its affairs.</li> <li>• Available to all businesses (natural person, partnership, company or even an association in certain circumstances).</li> <li>• There are three possible routes that the judicial reorganisation procedure may take: <ul style="list-style-type: none"> <li>○ Amicable Settlement;</li> <li>○ Collective settlement; or</li> <li>○ Transfer of assets under court supervision.</li> </ul> </li> </ul> <p>The debtor chooses which is most appropriate and can apply, at any time, to the court to change the route it takes.</p>	
<b>LOCAL NAME</b>	1. Gerechtelijke reorganisatie door een minnelijk akkoord (Dutch) La réorganisation judiciaire par accord amiable (French)
<b>ENGLISH TRANSLATION</b>	1. Judicial reorganisation through an amicable settlement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Amicable Settlement - provides for the debtor to agree a payment plan with a limited number (two or more) of its creditors.</li> </ul>	
<b>LOCAL NAME</b>	2. Gerechtelijke reorganisatie door een collectief akkoord (Dutch) Réorganisation judiciaire par accord collectif (French)
<b>ENGLISH TRANSLATION</b>	2. Judicial reorganisation through a collective settlement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Collective Settlement - the second route for a judicial organisation procedure to take, provides for the debtor to propose a payment plan to its general body of creditors.</li> <li>• If a majority of creditors vote in favour, and the court sees no reason not to approve it, the plan will be binding on all creditors.</li> </ul>	
<b>LOCAL NAME</b>	3. Gerechtelijke reorganisatie door overdracht onder gerechtelijk gezag (Dutch) Réorganisation judiciaire par transfert sous autorité de justice (French)
<b>ENGLISH TRANSLATION</b>	3. Judicial reorganisation through a transfer of assets under court supervision
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Transfer of assets under court supervision - the third and most drastic option for a judicial reorganisation procedure provides for the transfer (sale) of the debtor's assets, either in whole or in part, by a court-appointed administrator.</li> <li>• The administrator must give priority to preserving the debtor's business.</li> </ul>	
<b>LOCAL NAME</b>	Ondernemingsbemiddelaar (Dutch) Médiateur d'entreprise (French)
<b>ENGLISH TRANSLATION</b>	Business mediator
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A debtor can apply to court to appoint a business mediator to assist in facilitating a reorganisation, both within and</li> </ul>	

outside the context of a judicial reorganisation.	
<ul style="list-style-type: none"> <li>• Possible but rarely used for natural persons</li> </ul>	
<b>LOCAL NAME</b>	Voorlopig bewindvoerder, voorlopig bestuurder or mandataris ad hoc (Dutch) Administrateur provisoire or mandataire ad hoc (French)
<b>ENGLISH TRANSLATION</b>	Provisional administrator
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• In a number of situations (e.g. serious disagreement between a company's shareholders that paralyses the company or serious misconduct by the management) the court can, upon request of any interested party, transfer the management of some or all of the business to a provisional administrator.</li> <li>• It can do so both in the context of a judicial reorganisation (for which there are express statutory provisions) or outside the scope of a judicial reorganisation through a measure developed by case law. This decision as such does not affect the rights of creditors.</li> <li>• Possible but rarely used for natural persons.</li> </ul>	
<b>LOCAL NAME</b>	Gerechtsmandataris (Dutch) Mandataire de justice (French)
<b>ENGLISH TRANSLATION</b>	Court-appointed administrator
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• If the debtor is subject to a judicial reorganisation and the court concludes it has been seriously mismanaged, it may install and determine the role and duration of appointment of a court-appointed administrator.</li> <li>• The decision does not in itself have any bearing on the rights of the creditors.</li> <li>• Possible but rarely used for natural persons.</li> </ul>	
<b>LOCAL NAME</b>	Minnelijk akkoord (Dutch) Accord amiable (French)
<b>ENGLISH TRANSLATION</b>	Amicable settlement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• At any time and outside the scope of formal reorganisation a debtor can agree a payment plan with some or all of its creditors. If the plan is concluded with two or more creditors and the debtor files it with the court registry, the plan and any payments made pursuant to it are protected against clawback actions by a receiver in the event the debtor is subsequently declared bankrupt.</li> </ul>	
<b>LOCAL NAME</b>	Faillissement (Dutch) Faillite (French)
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A debtor (both natural persons and corporations) can be declared bankrupt if (i) it has ceased to pay its debts, and (ii) is no longer creditworthy. The Public Prosecutor or any creditor may apply to the court for such an order and the debtor is obliged to do so within one month after having come to the conclusion that it is in a state of bankruptcy.</li> <li>• The court will appoint a receiver ('curator' in Dutch and 'curateur' in French) charged with the administration and liquidation of the bankruptcy estate and the distribution of the proceeds.</li> <li>• In principle bankruptcy does not prevent secured creditors from enforcing their rights.</li> </ul>	
<b>LOCAL NAME</b>	Vrijwillige vereffening (Dutch) Liquidation volontaire (French)

<b>ENGLISH TRANSLATION</b>	Voluntary liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A general meeting of shareholders decides to dissolve the company or association and put it into liquidation. A liquidator ('vereffenaar' in Dutch or 'liquidateur' in French), is appointed to realise the assets and distribute the proceeds between creditors.</li> <li>• More flexible than bankruptcy (e.g. shareholders choose the liquidator, less court control).</li> <li>• In principle, voluntary liquidation does not prevent secured creditors from enforcing their rights.</li> </ul>	
<b>LOCAL NAME</b>	Gerechtelijke vereffening (Dutch) Liquidation judiciaire (French)
<b>ENGLISH TRANSLATION</b>	Judicial liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• At the request of shareholders, the Public Prosecutor or any interested party the court can order the dissolution and liquidation of the debtor. The court appoints a liquidator ('gerechtelijk vereffenaar' in Dutch and 'liquidateur judiciaire' in French) to realise the assets and distribute the proceeds between creditors.</li> <li>• In principle, liquidation does not prevent secured creditors from enforcing their rights.</li> </ul>	
<b>LOCAL NAME</b>	Voorlopige ontneming van het beheer, bepaald in artikel 8 van de faillissementswet (Dutch) Dessaisissement provisoire visé à l'article 8 de la loi sur les faillites (French)
<b>ENGLISH TRANSLATION</b>	Provisional administration pursuant to Article 8 of the Bankruptcy Act
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• If the court finds that there are strong indications that the company is in a state of bankruptcy, the court can, on the application of any interested party or even of his own motion, decide to transfer the management for a limited period of time to a provisional administrator.</li> <li>• The procedure is similar to the provisional administrator procedure.</li> </ul>	
<b>LOCAL NAME</b>	Collectieve schuldenregeling (Dutch) Règlement collectif de dettes (French)
<b>ENGLISH TRANSLATION</b>	Collective debt settlement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Any natural person that is not conducting business activities may apply to the court to have a debt mediator ('schuldbemiddelaar' in Dutch and 'médiateur de dettes' in French) appointed who will be in charge of the administration of that person's assets. Natural persons that are conducting business that does not answer the definition of 'commercial' can also resort to the collective debt settlement.</li> <li>• The debt mediator will try to agree a payment plan with creditors. If that proves to be unsuccessful, the mediator can, with the approval of the court, impose either a payment plan or even (partial or complete) discharge of the debtor's debts.</li> <li>• The enforcement of security rights is suspended during the procedure.</li> </ul>	
<b>Anticipated changes in the next two years</b>	In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by

December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

<b>BULGARIA</b>	
<b>LOCAL NAME</b>	ПРОИЗВОДСТВО ПО СТАБИЛИЗАЦИЯ
<b>ENGLISH TRANSLATION</b>	Stabilisation procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• For companies under imminent threat of insolvency (within six months will become unable to pay their dates).</li> <li>• The debtor files a petition containing a detailed stabilisation plan with repayment proposals. If the court establishes that the required grounds exist, it will open a stabilisation procedure, appoint a trustee (to supervise the activity of the company) and, if necessary, an auditor (to report to the court whether he stabilisation plan corresponds with the financials and property of the company), and may impose attachment or other security measures.</li> <li>• The plan is voted on by creditors and approved or rejected by the court. Creditors are divided into five classes (one for secured creditors). More than 50% of the debts in each class (where at least 75% of the class participated in voting) must vote in favour of the plan which is considered approved if creditors holding more than 75% of the total debts voted in favour of the plan (with votes of related parties not being counted).</li> <li>• If approved, the plan binds all creditors, regardless of whether they participated in the proceedings unless they were not given an opportunity to vote on the plan.</li> <li>• Upon the opening of the stabilisation procedure, any enforcement proceedings against the debtor will be suspended. The stay is terminated if the plan is not approved, or not fulfilled.</li> </ul>	
<b>LOCAL NAME</b>	
<b>LOCAL NAME</b>	ПРОИЗВОДСТВО ПО НЕСЪСТОЯТЕЛНОСТ
<b>ENGLISH TRANSLATION</b>	Insolvency procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• If a debtor become insolvent or over-indebted, formal insolvency proceedings must be initiated.</li> <li>• The insolvency procedure is a single entry, multiple-exit procedure commenced by the filing of a petition to the competent court by the debtor or one of its creditors.</li> <li>• Once insolvency / over-indebtedness is established by the court, the possible exit routes from the insolvency procedure are as follows: <ul style="list-style-type: none"> <li>○ Restructuring plan - May be proposed and prepared by the debtor; by a receiver or by certain percentages of its creditors, shareholders or employees. Creditors are divided into five classes and the plan must be approved by creditors holding more than 50% of the debts in each class but may not be adopted if creditors whose debts form more than 50% of the total debts voted against it. If approved, the plan binds all creditors whose debts existed before the date of the court's decision to open insolvency proceedings. If the debtor fails to perform its obligations under the approved restructuring plan, the insolvency procedure may be resumed at the request of creditors;</li> <li>○ Declaring the debtor insolvent - If a restructuring plan is not proposed or adopted, or the debtor fails to perform its obligations under the restructuring plan, or if the court considers that the continuation of the business activity of the debtor may carry the risk of damaging the insolvency estate, the court declares the debtor insolvent and the insolvency procedure ends with the sale of the debtor's assets in order to satisfy the claims of creditors (to the extent possible). The sale is managed by a court-appointed receiver. Where the debtor has insufficient assets to cover the initial expenses of the insolvency proceedings, the court will invite the creditors (or other petitioners for insolvency) to fund those expenses. If they decline to do so, the court will stay the insolvency proceedings. The proceedings can be revived if the requisite funding is provided within one year, failing which, the court will close the insolvency proceedings and deregister the debtor from the Commercial Register;</li> <li>○ Out-of-court composition with all creditors - All creditors may agree to an out-of-court restructuring plan put together within the context of the insolvency procedure. The agreement must be executed in writing by all creditors. Upon execution of the plan, the insolvency procedure is terminated. Whilst the approval by the court of the plan itself is not required, the court will ensure that any legal requirements for the conclusion of the agreement have been met and, if so, will terminate the insolvency procedure. If the debtor fails to perform its obligations under the plan, the insolvency procedure may be resumed at the request of the</li> </ul> </li> </ul>	

creditors.

- All judicial and arbitration proceedings in civil and commercial cases brought against the debtor (except labour court proceedings for monetary claims of employees), as well as all enforcement proceedings against the debtor, are stayed upon the commencement of insolvency proceedings.
- The effect of the commencement of insolvency proceedings on the management of the debtor is determined by the court. As a general rule, the managers/directors may continue to conduct the debtor's business, however a new transaction may only be entered into with the receiver's prior consent. The court may fully divest the managers/directors of their powers and grant the receiver the sole power to manage the debtor's business and dispose of its assets. Once the debtor has been declared insolvent, only the receiver is entitled to act in respect of the insolvency estate.

<b>LOCAL NAME</b>	Ипотеки и залози
<b>ENGLISH TRANSLATION</b>	Mortgages and possessory pledges

**KEY FEATURES**

- A mortgage over real estate is a security interest which becomes valid upon the registration of the mortgage deed in the Real Estate Register.
- A possessory pledge over movables is a security interest which is created by the delivery of the relevant movable to the secured creditor. A possessory pledge is usually further evidenced by a signed written agreement between the parties, but need not be so.
- Mortgages and possessory pledges are enforced through a court foreclosure procedure which requires the sale of the secured assets through a public auction which is supervised by a state enforcement officer or private enforcement agent.

<b>LOCAL NAME</b>	Особени залози
<b>ENGLISH TRANSLATION</b>	Special pledges

**KEY FEATURES**

- Special pledges are non-possessory pledges which can be created over movables, machinery and equipment, shares in limited liability companies and partnerships, intellectual property rights, entire enterprises, receivables, and future-acquired assets. Special pledges become valid upon registration of the security in the relevant register (Commercial Register, Special Pledges Register, etc.) for the type of asset pledged. The pledge is void and unenforceable if it is not registered.
- A secured creditor is entitled to enforce its pledge through an out-of-court foreclosure procedure under which the secured creditor may sell the pledged assets by private contract without the involvement of a court enforcement officer.
- If insolvency proceedings are opened in respect of the pledgor, the secured creditor would only be able to carry out a private enforcement over the pledged assets if the creditor had registered the commencement of the private enforcement of the special pledge in the relevant register (e.g. Commercial Register, Special Pledges Register, etc.) before the opening of the insolvency proceedings. Special rules exist in respect of the enforcement of special pledges.

<b>Anticipated changes in the next two years</b>	<p>A Bill in relation to the protection of over-indebted natural persons was submitted to the Bulgarian Parliament in July 2017 to introduce a new legal framework to address personal insolvency.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is</p>
--	--

	<p>currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"><li>• an effective preventative restructuring framework;</li><li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li><li>• an ability to cram down dissenting classes of creditors;</li><li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li></ul> <p>provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</p>
--	--

<b>CROATIA</b>	
<b>LOCAL NAME</b>	Predstečajni Postupak
<b>ENGLISH TRANSLATION</b>	Pre-bankruptcy Proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A voluntary procedure commenced by the debtor (or a creditor with the debtor's consent) when the debtor is facing "impending insolvency" with a view to rescuing the debtor's business (company or natural person) as a going concern.</li> <li>• Considered to be urgent and must be terminated within 300 days of opening (the court may extend for an additional 60 days).</li> <li>• The debtor prepares a restructuring plan to be put to creditors for approval (see further below).</li> <li>• In the period between the presentation of the petition and the court's decision to open proceedings, the debtor may only make payments necessary for regular business operations and may not dispose of its assets.</li> <li>• The debtor's management board conduct its business during the continuation of the proceedings subject to the supervision and approval of a court-appointed pre-bankruptcy trustee.</li> </ul>	
<b>LOCAL NAME</b>	Stečajni plan
<b>ENGLISH TRANSLATION</b>	Bankruptcy plan
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• One of the options available in bankruptcy proceedings, it enables the restructuring and continuation of the debtor's business operations during the course of those proceedings.</li> <li>• Only a bankruptcy trustee is entitled to file a bankruptcy plan with the court. The debtor may only make recommendations.</li> <li>• The plan will be accepted if approved by the majority of creditors in each class and if the sum of the claims of all creditors who voted in favour of the plan twice exceeds the sum of the claims of creditors who voted against it. Creditors whose claims are not affected by the plan do not have voting rights. Secured creditors have the right to vote as a separate class if they are in any way affected by the plan.</li> <li>• The court will conclude the bankruptcy proceedings as soon as the decision to accept the bankruptcy plan becomes final.</li> </ul>	
<b>LOCAL NAME</b>	Osobna uprava
<b>ENGLISH TRANSLATION</b>	Personal administration
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• When opening bankruptcy proceedings, the court may, by the same resolution, authorise the debtor to operate and dispose of its bankruptcy estate, under the supervision of a bankruptcy commissioner, who is appointed instead of a bankruptcy trustee.</li> <li>• In general, the court will grant a resolution for personal administration in the following circumstances: (a) if proposed by the debtor; (b) if not objected to by any creditor who filed the petition to open the bankruptcy proceedings; and (c) if, having regard to the circumstances in hand, it is not anticipated that such administration shall cause a delay in the bankruptcy proceedings, or be detrimental to the creditors' rights and interests. The court may also grant a resolution for personal administration if it is proposed by the creditors at the first hearing.</li> <li>• The debtor continues to operate and perform activities in the ordinary course of its business, however activities which fall outside of this scope may only be undertaken by the debtor with the prior approval of the bankruptcy commissioner.</li> <li>• Despite the fact that personal administration entails a deviation from the usual course of bankruptcy proceedings, in these circumstances, bankruptcy proceedings may still be terminated either, by collective satisfaction of the creditors' claims and subsequent dissolution of the company, or by the conclusion of a bankruptcy plan (in which case the</li> </ul>	

debtor company survives the proceedings).	
<b>LOCAL NAME</b>	Postupak izvanredne uprave
<b>ENGLISH TRANSLATION</b>	Compulsory (extraordinary) administration proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An extraordinary administration may be imposed in circumstances justifying pre-bankruptcy or bankruptcy proceedings of joint stock companies (and their related undertakings) which are of systemic importance to the Croatian economy.</li> <li>• During extraordinary administration proceedings, an extraordinary administrator represents the debtor and conducts its business activities. Other bodies involved in the proceedings are the court (the Commercial Court in Zagreb has exclusive competence), an advisory body and the creditors' council.</li> <li>• Creditors submit their claims which are thereafter classified into groups, and subject to the approval of the extraordinary administrator.</li> <li>• From the moment of the opening of compulsory extraordinary administration proceedings until their conclusion, no bankruptcy proceedings (stečajni postupak), pre-bankruptcy proceedings (predstečajni postupak), liquidation (likvidacija), litigation, court or out-of-court enforcement (izvansudska ovrha) or procedures of interim measures may be initiated against the debtor or its related undertakings, except for proceedings relating to employment relationships.</li> </ul>	
<b>LOCAL NAME</b>	Stečajni postupak
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Commenced with a view to settling creditors' claims and dissolving the debtor company (unless a bankruptcy plan is agreed). Bankruptcy proceedings can also be initiated over the assets of a natural person who is subject to tax on income from self-employment or who is a profit tax payer.</li> <li>• Initiated by petition of the debtor, creditor, the Croatian Financial Agency (FINA) or a secured creditor, by reason of the debtor's insolvency, over-indebtedness or impending insolvency (however in the case of a debtor's impending insolvency).</li> <li>• On the opening of bankruptcy proceedings, the debtor's capacity to conduct business ceases, it is represented by a court-appointed bankruptcy trustee, enforcement proceedings against the debtor are terminated and litigation proceedings are stayed until the bankruptcy trustee assumes conduct of them.</li> <li>• Creditors are invited to register their claims, which are subsequently examined at a hearing before the court. All of the debtor's claims become due (irrespective of the stated due date) and the bankruptcy trustee is obliged to manage the bankruptcy estate which is formed from the debtor's assets. Assets subject to security form part of the bankruptcy estate, but secured creditors have priority, a so called right of separate satisfaction.</li> <li>• Unless a bankruptcy plan is adopted (as to which see further the section entitled: "Bankruptcy Plan / Stečajni plan"), after termination of the bankruptcy proceedings, the debtor ceases to exist.</li> </ul>	
<b>LOCAL NAME</b>	Likvidacija
<b>ENGLISH TRANSLATION</b>	Liquidation / Winding up procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• One of the ways to bring a company's existence to an end where, for example, a company needs to be dissolved and the shareholders are unable to agree how the assets should be distributed.</li> <li>• The liquidation is generally conducted by the company's directors, unless the company's constitution or shareholders require a liquidator to be appointed.</li> <li>• After all liabilities of the company have been settled, the liquidator is obliged to propose the distribution of the company's assets and to file an application to remove the company from the court register. Upon removal, the</li> </ul>	

company ceases to exist.	
<b>LOCAL NAME</b>	Brisanje iz sudskog registra po službenoj dužnosti
<b>ENGLISH TRANSLATION</b>	Deletion from the court registry ex offa
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure whereby a company is removed from the court in the following circumstances: (a)it does not have any assets or has assets of insignificant value; (b) it has not complied with laws concerning the subject in a prescribed term; (c) it has not published annual financial statements for three consecutive years; or (d) a foreign founder of the company's branch has not delivered its annual financial statements to the competent registry court for three consecutive years.</li> <li>• An intention to remove the company from the register is recorded with the court registry so that interested parties may object to decision being made.</li> </ul>	
<b>LOCAL NAME</b>	Postupak stečaja potrošača
<b>ENGLISH TRANSLATION</b>	Consumer bankruptcy proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A voluntary procedure intended to release a consumer from any of his obligations which remain outstanding after all his assets have been realised and the proceeds distributed amongst his creditors.</li> <li>• Prerequisites: the consumer must be acting in good faith and unable to pay debts exceeding HRK 30,000.00 during a period of at least 90 consecutive days.</li> <li>• Generally the preserve of consumers but may be initiated by a natural person engaged in business satisfying various criteria including the absence of employees.</li> <li>• If a consumer fails to conclude an out-of-court agreement with his / creditor(s) (as to which see further the section entitled: "Izvansudski sporazum / Out-of-court agreement"), within 30 days he may file a petition to open these proceedings before a competent court.</li> <li>• The course of consumer bankruptcy proceedings is similar to that of corporate bankruptcy proceedings - creditors are invited to register their claims, which are subject to examination at a hearing. The bankruptcy commissioner creates a final distribution list, followed by a decision on the conclusion of the bankruptcy proceedings.</li> <li>• The court determines a time period of good conduct for the consumer, during which the consumer's assets are managed by an appointed bankruptcy commissioner. After the expiry of the good conduct period, the court releases the consumer from his remaining obligations.</li> </ul>	
<b>LOCAL NAME</b>	Izvansudski sporazum
<b>ENGLISH TRANSLATION</b>	Out-of-court agreement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• As is mentioned in the section entitled: "Postupak stečaja potrošača / Consumer bankruptcy proceedings", a consumer is obliged to seek to conclude an out-of-court agreement with his creditors before seeking the initiation of consumer bankruptcy proceedings. A consumer's creditors may also request the execution of an out-of-court agreement, however only with the consumer's consent.</li> <li>• Upon the request of either a consumer, or any of his creditors, the out-of-court procedure can be conducted by a mediator of the Croatian Financial Agency's (FINA) counselling centres or other authorised entities. The out-of-court proceedings should not last longer than 30 days from the date of the creditors' meeting scheduled in the invitation for participation in the procedure (however such time limit may be extended in certain circumstances).</li> <li>• If the parties fail to conclude an out-of-court agreement, the counselling centre issues a certificate to this effect. However, where such an agreement is concluded, it has the same effect as an out-of-court settlement and it becomes immediately enforceable.</li> </ul>	

<b>LOCAL NAME</b>	Izvansudska ovrha
<b>ENGLISH TRANSLATION</b>	Out-of-court enforcement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A creditor is entitled to enforce its claim in an out-of-court procedure if its security is established over movable assets or rights that are not considered immovable. Croatian law does not provide for out-of-court enforcement over immovable assets.</li> <li>• The enforcement debtor in civil matters must expressly agree in writing to the out-of-court settlement at the time of establishment of the security. However, in commercial matters the out-of-court settlement is presumed if the enforcement debtor has not expressly excluded such a procedure. The creditor is entitled to effect enforcement by means of a sale at public auction, or in any other way provided for in the underlying security document, prescribed by law, provided that it is the only possible way of effecting the enforcement.</li> </ul>	
<b>LOCAL NAME</b>	Blokada računa
<b>ENGLISH TRANSLATION</b>	Blockage of Accounts
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Special rules in respect of payments apply in circumstances of account preservation (irrespective of whether legal or natural persons are concerned). The Croatian Financial Agency (FINA) may order account preservation if a payment order, made by a bank for settlement of claims in enforcement proceedings over a debtor's cash assets, cannot be fully executed.</li> <li>• During the period of account preservation, the debtor is prohibited from making payments and transfers from its account. The account preservation is subject to registration with the Unique Register of Accounts, held by FINA.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>

<b>CYPRUS</b>	
<b>LOCAL NAME</b>	ΔΙΑΚΑΝΟΝΙΣΜΟΙ ΚΑΙ ΑΝΑΔΙΟΡΓΑΝΩΣΕΙΣ
<b>ENGLISH TRANSLATION</b>	Arrangements and Reconstructions
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The term arrangements and reconstructions derives from company law to describe any form of internal reorganisation of a company or its affairs including schemes for the amalgamation of two or more companies. Schemes can be used for solvent reorganisations of group structures, as well as for insolvent restructurings.</li> <li>• Where a compromise or arrangement is proposed between a company and its creditors (or any class of them), or between the company and its members (or any class of them), the court may order meetings at which a majority in value of the creditors or members voting at the meeting, must approve the proposed compromise or arrangement for it to be binding.</li> <li>• If subsequently sanctioned by the court, the compromise or arrangement becomes binding on all creditors (or the class of creditors as the case may be) and also on the company.</li> <li>• No moratorium arises during this process. The procedure is controlled by the company subject to the supervision of the court. It is flexible and, subject to proper preparation and planning, may be completed within a few months.</li> </ul>	
<b>LOCAL NAME</b>	
<b>LOCAL NAME</b>	ΕΞΕΤΑΣΤΗΣ
<b>ENGLISH TRANSLATION</b>	Examinership
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Examinership is intended to facilitate the survival of the company and the whole or any part of its undertaking as a going concern by providing a period of protection from its creditors.</li> <li>• A petition may be presented by the company, a creditor, a member (subject to various criteria) or guarantor of its liabilities.</li> <li>• Where the court deems that a company is, or is likely to be unable to pay its debts but is not yet being wound up, it may appoint an examiner who will advise whether the company is capable of being rescued, or whether it is insolvent. If such a rescue is considered possible, the examiner must put together a proposed scheme or arrangement which will involve a proposal to the company's creditors.</li> </ul>	
<b>LOCAL NAME</b>	
<b>LOCAL NAME</b>	ΑΝΑΓΚΑΣΤΙΚΉ ΕΚΚΑΘΑΡΙΣΗ ΑΠΟ ΤΟ ΔΙΚΑΣΤΗΡΙΟ
<b>ENGLISH TRANSLATION</b>	Compulsory Liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Compulsory liquidation (also known as compulsory winding up or winding up by the court) is a terminal process commenced by court order against a company or all types of partnerships, usually at the instigation of an unpaid creditor.</li> <li>• A licensed insolvency practitioner is appointed to act as liquidator and the powers of the company's directors / the members of a limited liability partnership / the partners cease.</li> <li>• It is unusual for a company or partnership to trade in liquidation. Instead, the liquidator's role is to realise the company's or partnership's assets and distribute the proceeds to creditors. Once all distributions have been made, the company or partnership will be dissolved.</li> <li>• Compulsory liquidation brings a stay on actions against the company or partnership, but it does not prevent secured creditors from enforcing their security.</li> </ul>	
<b>LOCAL NAME</b>	
<b>LOCAL NAME</b>	ΕΚΟΥΣΙΑ ΕΚΚΑΘΑΡΙΣΗ ΑΠΟ ΠΙΣΤΩΤΕΣ

<b>ENGLISH TRANSLATION</b>	Creditors' Voluntary Liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Creditors' voluntary liquidation (also known as creditors' voluntary winding-up) is a terminal process commenced by a resolution of the company's shareholders convening separate meetings of members and creditors.</li> <li>• A licensed insolvency practitioner is appointed to act as liquidator and the directors' and members' powers cease.</li> <li>• It is unusual for a company or limited liability partnership to trade in liquidation. Instead, the liquidator's role is to realise the company's/partnership's assets and distribute the proceeds to creditors.</li> <li>• Once all distributions have been made, the company or limited liability partnership will be dissolved.</li> <li>• Creditors' voluntary liquidation does not provide an automatic stay on actions against the company or limited liability partnership but on application, the court may grant such a stay either generally or in relation to specific claims. Such court orders are rare and there is usually nothing to prevent secured creditors realising their security.</li> </ul>	
<b>LOCAL NAME</b>	ΔΙΑΤΑΓΜΑ ΑΠΑΛΛΑΓΗΣ ΟΦΕΙΛΩΝ ΑΠΟ ΤΟΝ ΧΡΕΩΣΤΗ / ΔΙΑΤΑΓΜΑ ΑΠΑΛΛΑΓΗΣ ΟΦΕΙΛΩΝ ΑΠΟ ΤΟΝ ΠΙΣΤΩΤΗ
<b>ENGLISH TRANSLATION</b>	Debt Relief Order / DRO
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• For natural persons with no more than €25,000 debt and assets worth no more than €1,000.</li> <li>• The debtor discloses his assets and liabilities to the Insolvency Service together with details of any attempts to identify or implement alternative debt repayment solutions.</li> <li>• If the Insolvency Service considers the application to be eligible, it submits it to the court which then issues a Debt Relief Order.</li> <li>• A debtor who wishes to implement a personal repayment plan is obliged to appoint an insolvency practitioner to put the plan to creditors. If creditors do not consent to the proposed plan, the debtor is entitled, in specific circumstances, to ask the court to impose the plan on his creditors on the basis that it was made in good faith.</li> <li>• The law also provides for combined repayment plans for natural persons whose primary residence is mortgaged as security for the debts of a very small businesses. Through this process the debtor seeks an order of the court that the insolvency practitioner appointed by the debtor (to prepare and propose the personal repayment plan) be appointed examiner of the very small business.</li> </ul>	
<b>LOCAL NAME</b>	ΠΤΩΧΕΥΣΗ ΑΠΟ ΟΦΕΙΛΕΤΗ / ΠΤΩΧΕΥΣΗ ΑΠΟ ΠΙΣΤΩΤΗ
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A creditor or debtor is entitled to petition the court for a bankruptcy order, although a creditor can only petition if alone or jointly with another petitioning creditor, he/they are owed €15,000 or more, and the debt is a liquidated amount payable either immediately or at a specified time in the future.</li> <li>• If a bankruptcy order is made, generally, control of the debtor's assets and financial affairs will be transferred to a trustee in bankruptcy who will be responsible for distributing the debtor's assets (or proceeds of sale of the same) to his creditors.</li> <li>• The court will decide when the debtor can be discharge from his bankruptcy.</li> </ul>	
<b>LOCAL NAME</b>	ΚΑΤΑΣΧΕΣΗ
<b>ENGLISH TRANSLATION</b>	Sequestration

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Where a respondent, against whom a writ of attachment has been issued, cannot be located, the court is entitled to order that a writ of sequestration be issued against the respondent's property.</li> <li>• The writ of sequestration is directed at two or more persons appointed by the court, who are empowered to enter upon the respondent's immovable property and collect, take, and get in, not only the rents and profits of such property, but also, all the respondent's goods, chattels and movable property.</li> <li>• The appointees are required to detain and keep the same under sequestration and in their hands until an order to the contrary is made.</li> <li>• The court is entitled to order payment, out of the proceeds of the sequestration, of all charges relating to the execution of the sequestration, including such reasonable remuneration of the appointees as the court thinks fit.</li> </ul>	
<b>LOCAL NAME</b>	<p>ΔΙΑΛΥΣΗ ΟΜΟΡΥΘΜΩΝ ΣΥΝΑΙΤΕΡΙΣΜΩΝ-</p> <ol style="list-style-type: none"> <li>1. ΔΙΑΛΥΣΗ ΜΕ ΛΗΞΗ Ή ΕΙΔΟΠΟΙΗΣΗ</li> <li>2. ΔΙΑΛΥΣΗ ΛΟΓΟ ΠΤΩΧΕΥΣΗΣ, ΘΑΝΑΤΟΥ Ή ΕΠΙΒΑΡΥΝΣΗΣ</li> </ol> <p>ΔΙΑΛΥΣΗ ΕΤΕΡΟΡΥΘΜΩΝ ΣΥΝΑΙΤΕΡΙΣΜΩΝ</p> <ol style="list-style-type: none"> <li>1. ΔΙΑΛΥΣΗ ΜΕ ΛΗΞΗ Ή ΕΙΔΟΠΟΙΗΣΗ</li> <li>2. Διάλυση λόγω επιβάρυνσης</li> </ol>
<b>ENGLISH TRANSLATION</b>	<p>Dissolution of unlimited liability partnerships</p> <ol style="list-style-type: none"> <li>1. Dissolution with expiry or notice</li> <li>2. Dissolution as a result of bankruptcy, death or encumbrance</li> </ol> <p>Dissolution of limited liability partnerships</p> <ol style="list-style-type: none"> <li>1. Dissolution with expiry or notice</li> <li>2. Dissolution as a result of encumbrance</li> </ol>
<b>KEY FEATURES</b>	
<p>A partnership is or may be dissolved in the following circumstances:</p> <ul style="list-style-type: none"> <li>• if the partnership was entered into for a fixed term, on the expiration of that term;</li> <li>• if the partnership was entered into for a single venture or undertaking, on the completion or termination of that venture or undertaking;</li> <li>• by one of the partners giving notice to the other partners of his intent to dissolve the partnership;</li> <li>• subject to any agreement between the partners to the contrary, by the death or bankruptcy of one of the partners;</li> <li>• at the option of the other partners, if any partner suffers his share of the partnership property to be charged under law for his own separate debt; or</li> <li>• following an application by a partner, upon the court decreeing the dissolution of the partnership in circumstances where the business of the partnership can only be carried on at a loss.</li> </ul>	
<b>LOCAL NAME</b>	ΔΙΑΧΕΙΡΙΣΤΗΣ / ΠΑΡΑΛΗΠΤΗΣ

<b>ENGLISH TRANSLATION</b>	Receiver / Manager
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A creditor holding a charge over assets can appoint a receiver to realise the assets subject to the charge and discharge the debt out of the proceeds of sale. The contractual powers given to receivers are extensive and include powers to preserve, manage and sell the charged assets in the event of a default by the mortgagor.</li> <li>• A receiver / manager is appointed pursuant to a floating charge (a form of charge over one or more classes of assets of a company which gives the company the freedom to deal with the assets during the ordinary course of its business until a specified event occurs which causes the charge to “crystallise” and become a fixed charge, preventing any further dealing by the company with the charged assets).</li> <li>• The floating charge ordinarily gives the mortgagee the powers to appoint a receiver to receive the income and preserve the assets pending sale, and to appoint the receiver or another person as manager in place of the debtor of the subject matter of the floating charge, whose responsibility it is to carry on the business and sell it and the other assets charged in order to repay the debts owed to the mortgagee.</li> <li>• To enable the mortgagee to avoid liability for the receiver’s management of the undertaking, the floating charge declares the receiver to be the agent of the company, which accordingly is solely liable for his acts and defaults. An appointee with the dual role of receiver and manager accordingly becomes the new managing agent of the company.</li> </ul>	
<b>LOCAL NAME</b>	ΔΙΑΧΕΙΡΙΣΤΗΣ ΣΤΗ ΒΑΣΗ ΕΓΓΡΑΦΟΥ ΥΠΟΘΗΚΗΣ
<b>ENGLISH TRANSLATION</b>	Receiver of a Mortgaged Immovable Property
<b>KEY FEATURES</b>	
A receiver may be appointed over a mortgaged immovable property if the mortgage or security document makes provision for a right of the charge holder to make such an appointment. A fixed charge receiver is appointed only over the specific asset. Such appointments are very rare in Cyprus.	
<b>LOCAL NAME</b>	ΕΚΠΟΙΗΣΗ ΕΝΥΠΟΘΗΚΟΥ ΑΚΙΝΗΤΟΥ
<b>ENGLISH TRANSLATION</b>	Sale of Mortgaged Property
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A mortgagee may initiate the sale of the mortgaged property in order to recover the mortgaged debt upon filing an application for the sale of such property, if, one month after the agreed mortgaged debt repayment date, the mortgagor makes default in payment and fails to comply with the terms of the mortgage agreement.</li> <li>• The sale procedure begins with the service of a written notice (form v.275) by the mortgagee upon the mortgagor requesting him to settle the debt within one month, and advising the mortgagor that in the case of default, the mortgagee will apply to the director of the department of lands &amp; surveys requesting the sale of the mortgaged property.</li> <li>• If the mortgagor fails to satisfy the mortgaged debt within one month following service of the notice, the mortgagee is entitled to file an application for the sale of the property with the lands office of the district where the property is situated.</li> <li>• A reserve sale price is fixed for any sale of immovable property by public auction and will be the lowest bid accepted as first bid for the sale of such property. Where no bid is made which is equal to or higher than the reserve sale price, the sale is deemed to be abortive. The reserve sale price cannot exceed the estimated value of the property.</li> <li>• The auction proceeds unless the mortgagor, or any other person appearing on behalf of the mortgagor, pays to the auctioneer such amount to settle the debt and all expenses.</li> </ul>	
<b>Anticipated changes in the next</b>	The Ministry of Finance is preparing various proposals for amendment of the

<p><b>two years</b></p>	<p>insolvency and foreclosure laws in Cyprus, however, these are still at an early stage.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> </ul> <p>provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</p>
-------------------------	--

<b>CZECH REPUBLIC</b>	
<b>LOCAL NAME</b>	Konkurs
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Konkurs is initiated by an insolvency petition filed either by a debtor or by a creditor at court. Insolvency is declared by the court within a maximum of 15 days (usually without a hearing unless the debtor disputes that it is insolvent).</li> <li>• Once insolvency has been declared, an insolvency trustee will be appointed to realise the debtor's assets. The proceeds are divided among creditors; secured creditors have absolute priority over other creditors, unsecured creditors are only paid after satisfaction of the claims of secured creditors and those which take administrative priority.</li> <li>• Publication online of the insolvency petition immediately results in an automatic stay of creditor claims (secured and unsecured).</li> <li>• Debtors can apply for a moratorium (which would enable a debtor to delay the initiation of insolvency proceedings by up to four months in order to obtain protection from creditors and resolve its financial difficulties, or to prepare an orderly winding up), yet the Czech courts are reluctant to approve them and they often fail to achieve their purpose.</li> <li>• Where the debtor is a natural person, a non-entrepreneur, or where the annual turnover of the debtor does not exceed CZK 2 million and the debtor does not have more than 50 creditors, the court may order a so-called minor bankruptcy, which is a shortened and simplified version of bankruptcy.</li> </ul>	
<b>LOCAL NAME</b>	Oddluzeni
<b>ENGLISH TRANSLATION</b>	Debt relief
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A debt relief procedure available for natural persons with debts that are more than 30 days overdue and owed to at least two or more creditors.</li> <li>• The debtor must specify how he has become insolvent and prove that he is able to pay at least 30% of his current debts to unsecured creditors.</li> <li>• Secured creditors are entitled to give instructions to the bankruptcy administrator on how to deal with assets that are subject to their security and are satisfied through the sale of those assets.</li> </ul>	
<b>LOCAL NAME</b>	Pokyn zajištěného věřitele
<b>ENGLISH TRANSLATION</b>	Parties can agree to another sale process, i.e. private sale
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A secured creditor must deliver to the debtor a prior written notice of the intended method of enforcement. If the security is registered, the debtor must also record that enforcement has commenced in the relevant public register.</li> <li>• The notice must be served on the debtor and registered in the relevant public register at least 30 days prior to the sale of the collateral.</li> </ul>	
<b>LOCAL NAME</b>	Reorganizace
<b>ENGLISH TRANSLATION</b>	Reorganisation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court and creditor-driven process to reorganise the debtor's liabilities based on a reorganisation plan approved by</li> </ul>	

<p>creditors and the court.</p> <ul style="list-style-type: none"> <li>• To be eligible, the debtor must have a turnover of at least CZK 50 million per year or at least 50 employees.</li> <li>• The debtor prepares a reorganisation plan which, to be approved, must be accepted by all of the debtor's secured creditors and a majority of its unsecured creditors.</li> <li>• The court will appoint an insolvency administrator to supervise the plan. The debtor has five years within which to comply with the terms of the reorganisation plan, repaying creditors in the manner agreed in the plan.</li> <li>• There will be a stay on enforcement action by all creditors until the reorganisation plan is approved by the court. Once the plan has been approved, secured creditors enforce their security under the terms of the plan.</li> </ul>	
<b>LOCAL NAME</b>	Soudní výkon rozhodnutí
<b>ENGLISH TRANSLATION</b>	Court ordered sale
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Judicial sale of property initiated by a secured creditor, who must obtain an enforcement entitlement (in the form of an enforceable court judgment or direct enforcement agreement).</li> <li>• The process is administered by the court.</li> </ul>	
<b>LOCAL NAME</b>	Verejna dražba
<b>ENGLISH TRANSLATION</b>	Public auction
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The most common form of sale for the enforcement of security over property by a secured creditor who must obtain an enforcement entitlement (in the form of an enforceable court judgment or direct enforcement agreement).</li> <li>• The process is administered by a licensed public auctioneer.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>



<b>DENMARK</b>	
<b>LOCAL NAME</b>	Rekonstruktion
<b>ENGLISH TRANSLATION</b>	Restructuring
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Rekonstruktion comprises both voluntary and involuntary debtor-in-possession procedures for insolvent entities. It must include a compulsory arrangement and/or a transfer of the debtor's business.</li> <li>• The proposed restructuring can only be imposed on unsecured claims. Preferential claims must be paid in full.</li> <li>• Once initiated by the bankruptcy court, the process is irreversible and a restructuring administrator and a restructuring accountant are appointed by the bankruptcy court to oversee the ongoing business and to secure the execution of the restructuring. All major actions must be approved by the restructuring administrator and if considered necessary, the restructuring administrator may ask the bankruptcy court to replace the management of the company.</li> <li>• Rekonstruktion triggers an automatic stay of enforcement.</li> <li>• Creditors vote (simple majority) on the restructuring plan (no later than four weeks after the petition is filed) and restructuring proposal (no later than six months after the adoption of the restructuring plan - extendable by the bankruptcy court for up to four months) at court hearings and if both are not adopted, the debtor is automatically declared bankrupt.</li> </ul>	
<b>LOCAL NAME</b>	Konkurs
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Konkurs can be both a voluntary or involuntary winding-up procedure for insolvent entities.</li> <li>• Once initiated, a trustee is appointed who is charged with liquidating all the debtor's assets and distributing the proceeds in accordance with the statutory waterfall priority of claims.</li> <li>• Konkurs triggers an automatic stay of enforcement. The normal organisational bodies - general meeting, board and management - will be deprived of their powers.</li> <li>• The trustee binds the estate in bankruptcy and is supervised by the bankruptcy court.</li> </ul>	
<b>LOCAL NAME</b>	Gældssanering
<b>ENGLISH TRANSLATION</b>	Debt rescheduling
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• If a natural person is hopelessly indebted, he may petition the bankruptcy court for an order to facilitate a debt rescheduling.</li> <li>• The bankruptcy court will appoint an insolvency practitioner to examine the financial affairs of the debtor and to provide a written opinion to the bankruptcy court of whether a debt rescheduling can be recommended or not. The opinion includes a budget concerning the debtor's next three-five-year period, listing all reasonable income and expenses and what debt can realistically be paid within that period, i.e. by how much the debts must be written down (up to 100%).</li> <li>• Gældssanering triggers an automatic stay of enforcement.</li> </ul>	
<b>LOCAL NAME</b>	Tvangsfuldbyrdelse af sikkerhedsrettigheder
<b>ENGLISH TRANSLATION</b>	Enforcement of pledge / charge

**KEY FEATURES**

- Enforcement depends on the nature of the asset. If the debtor is not insolvent, then a non-performing loan must be terminated and the assistance of the bailiff's court sought to enforce the secured interest. Pledges are unaffected by any of the restructuring proceedings. If the security right is a charge, and the debtor is subject to restructuring proceedings, the charge may only be enforced if payments falling due during the restructuring period are not paid.
- During bankruptcy proceedings, pledges may be enforced directly by the pledgee whereas enforcement of charges must be administered by the estate, i.e. they cannot be enforced without the cooperation of the trustee.

<b>ESTONIA</b>	
<b>LOCAL NAME</b>	Saneerimine
<b>ENGLISH TRANSLATION</b>	Reorganisation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An alternative to bankruptcy proceedings for companies that are able to show that they are likely to become insolvent in the future.</li> <li>• The debtor must file a reorganisation application with the court showing that it is in danger of becoming insolvent and that a reorganisation is likely to solve its problems. Reorganisation proceedings cannot be commenced if bankruptcy proceedings have already been commenced and are pending, the debtor is being liquidated, or if reorganisation proceedings have been attempted within the previous two years.</li> <li>• If the court commences reorganisation proceedings, any enforcement proceedings commenced in relation to the debtor's assets are suspended until the reorganisation plan is approved or the proceedings are terminated. Commencing reorganisation proceedings also stops the accumulation of fines and contractual penalties and, subject to court approval, may suspend court proceedings regarding a financial claim against the debtor until the approval of the reorganisation plan or termination of the reorganisation proceedings.</li> <li>• A reorganisation plan can propose to compromise the rights of secured creditors.</li> <li>• The plan will be approved if more than half of the creditors in number and two thirds by value vote in favour of the plan. In limited circumstances, the court may approve a plan that has not been approved by the creditors.</li> <li>• The obligations which are the subject of the approved plan are amended accordingly.</li> </ul>	
<b>LOCAL NAME</b>	Pankrotimenetus
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Bankruptcy provides for an insolvent company's or natural person's assets to be realised and the proceeds distributed to creditors. Any natural or legal person may be subject to bankruptcy proceedings, with the exception of the state or a local government.</li> <li>• Commenced by a petition, filed either by the debtor or one of its creditors which the court considers and if it finds that the debtor is "permanently insolvent", the court will declare the debtor bankrupt and appoint a bankruptcy trustee</li> <li>• After a declaration of bankruptcy is made, the powers of the directors cease, the bankruptcy trustee takes over control of the debtor's assets and management of its affairs and all enforcement proceedings against the insolvent debtor in respect of both secured and unsecured claims are terminated. Interest is prevented from accumulating.</li> <li>• Debts secured by pledge take priority and will be paid from the proceeds of realisation of secured assets (less the proportionate amount of the costs related to the bankruptcy proceedings up to a maximum of 15% of the value of the asset in question). The creditor can claim any shortfall as an unsecured debt.</li> <li>• All creditors have two months from the date of publication of the bankruptcy notice to lodge their claim with the bankruptcy trustee. Any unsecured creditors who have not lodged their claim within those two months will be subordinated to unsecured creditors who have lodged their claim within the requisite timeframe.</li> <li>• Where bankruptcy proceedings have been initiated in respect of a natural person, he can apply to court for a release of debts which have not been or are not going to be paid in the bankruptcy proceedings. The petition for release must be submitted to the court by no later than the time of the first general meeting of creditors.</li> <li>• During the proceedings, the debtor's income is transferred to a trusted representative appointed by the court.</li> <li>• The court shall make a decision as to the release of the debtor from his or her obligations after five years from commencement of the proceedings for the release of debts</li> </ul>	
<b>LOCAL NAME</b>	Kompromiss

<b>ENGLISH TRANSLATION</b>	Compromise
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>Once bankruptcy has been declared by the court (see further the section entitled "Pankrotimenetus / Bankruptcy") a debtor may make a proposal to its creditors to compromise relevant debts and/or an extension of the term for repayment. The right to propose a compromise is available to all legal and natural persons who have been declared bankrupt (not just companies), with the exception of the state and local governments.</li> <li>Unsecured creditors vote on whether to accept or reject the proposal. A compromise will be approved by the court if at least one half of the creditors present (whose claims must constitute at least two thirds of the total amounts owed to all creditors) vote in favour of the compromise.</li> <li>If a compromise is approved by the court, the bankruptcy proceedings are automatically terminated and the debtor will manage its own affairs. However, the trustee will remain in office to supervise the performance of the compromise.</li> <li>If a compromise is approved by a creditors' meeting and the court, the debts subject to the compromise may not be enforced except in accordance with the compromise. Secured debts are not affected by the compromise unless the creditors have established that the pledged asset is necessary for continuing the business of the debtor. In such circumstances, the security cannot be enforced for a defined period, not exceeding one year.</li> <li>Compromise is sometimes abused by creditors affiliated to the debtor; as such, the court may refuse to approve a bad faith compromise.</li> </ul>	
<b>LOCAL NAME</b>	Võlgade ümberkujundamise menetlus
<b>ENGLISH TRANSLATION</b>	Reorganisation / debt transformation within bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A flexible procedure under which natural persons who have been declared bankrupt can restructure their financial obligations so as to rearrange and/or reschedule their debts. The aim is to restore the individual to solvency and avoid bankruptcy proceedings.</li> <li>A reorganisation is commenced by the debtor making a court application. On commencement of a reorganisation the court will stay any enforcement proceedings (i.e. there will be a moratorium on enforcement) until either the reorganisation plan is approved or the proceeding is terminated. During a reorganisation, the debtor retains control over its assets but is subject to the supervision of a reorganisation advisor appointed by the court. The court will approve the reorganisation plan submitted by the debtor if it has not been challenged by any creditor. The court may also approve the reorganisation plan in circumstances where the plan is rejected by the creditors, but the court finds that the restructuring of the debts is justified, taking into account the legitimate interests and rights of the parties. A claim secured by a pledge may be restructured only if the creditor's consent has been obtained.</li> </ul>	
<b>LOCAL NAME</b>	Hüpotek
<b>ENGLISH TRANSLATION</b>	Mortgage
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A creditor may take security over real property by way of mortgage which will grant the creditor priority over unsecured creditors with regard to any bankruptcy realisations.</li> <li>If the debtor has been declared bankrupt, the real property encumbered with a mortgage can be sold by the bankruptcy trustee.</li> <li>Secured debts take priority and will be paid from the proceeds of realisation of the secured assets (a proportionate amount of the costs relating to the bankruptcy proceedings are deducted, up to a maximum amount of 15% of the value of the secured asset).</li> </ul>	
<b>LOCAL NAME</b>	Käsipant

	Kommertspant Üürileandja pandiõigus
<b>ENGLISH TRANSLATION</b>	Possessory Pledge Commercial Pledge Lessor's right of security
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>Secured creditors' claims, including a possessory pledge, commercial pledge or lessor's right of security, are satisfied in the bankruptcy proceedings as claims with first priority. The secured claims are met from the proceeds received from the sale of the pledged asset and a proportionate amount of the costs relating to the bankruptcy proceedings, up to a maximum amount of 15% of the value of the sold asset, are deducted.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>an effective preventative restructuring framework;</li> <li>a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>an ability to cram down dissenting classes of creditors;</li> <li>adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>

<b>FINLAND</b>	
<b>LOCAL NAME</b>	Yrityssaneeraus
<b>ENGLISH TRANSLATION</b>	Restructuring of Enterprise
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-supervised restructuring procedure for companies and partnerships. A petition for restructuring can be filed by (i) the company /partnership itself, (ii) a creditor or group of creditors (except any creditors whose claims are disputed or unclear) or (iii) a party likely to experience financial loss because of the company / partnership's insolvency.</li> <li>• A court appointed administrator drafts a restructuring plan which is approved if a majority of creditors (by value and number) vote in favour of it. Creditors are divided into groups (depending on their security) for voting purposes.</li> <li>• A secured creditor's claim cannot be compromised without its consent. However, a creditor is secured only as far as the value of secured assets is sufficient to cover the creditor's claim after deduction of liquidation costs and priority claims. Any resulting unsecured element of its claim can be compromised without consent.</li> <li>• Restructuring proceedings can be opened if one of the following is satisfied: a) imminent insolvency, b) the debtor is insolvent, but the insolvency may be remedied through restructuring or c) at least two creditors whose total claims represent at least 1/5 of the debtor's known debts support the debtor's application.</li> <li>• A moratorium, i.e. a stay of enforcement proceedings (including secured creditor enforcement), commences when the decision is made by the court to open the proceedings and ends once the plan has been approved.</li> <li>• Although the existing management remain in control of the company/partnership and retain authority to dispose of its property and manage day-to-day activities during the restructuring process, there are immediate restrictions on the debtor's right of disposition (some actions and procedures require the consent of the administrator) and restrictions on a creditor's rights of set-off.</li> <li>• A restructuring plan cannot propose terms by which the amount of unpaid secured debt is reduced unless the plan is approved by the relevant secured creditor. There are also restrictions on reducing the interest on secured debt. However, the administrator evaluates in the restructuring plan which debts are secured and which are unsecured. If a secured creditor disputes the valuation, he may withhold his consent to the restructuring plan, but, even without secured creditor consent, the restructuring plan can be approved if other conditions are met.</li> </ul>	
<b>LOCAL NAME</b>	Konkurssi
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A terminal procedure for companies, partnerships and natural persons which can be commenced by the debtor, its directors or creditors.</li> <li>• Following a declaration that the debtor is insolvent, the court appoints an administrator of the bankruptcy estate who takes over control of the debtor's assets/business.</li> <li>• Secured creditors may liquidate secured assets and recover amounts due to them from the proceeds of sale, subject to exceptions in the Bankruptcy Act (for example, a secured creditor may be prevented from exercising his rights for up to two months, in order to clarify his rights or to secure the interests of the bankrupt's estate). The secured creditor must notify the estate administrator, in advance, of the time, method and place of the proposed sale.</li> <li>• An automatic moratorium arises once the debtor is declared bankrupt by the court.</li> </ul>	
<b>LOCAL NAME</b>	Ulosotto
<b>ENGLISH TRANSLATION</b>	Execution
<b>KEY FEATURES</b>	

<ul style="list-style-type: none"> <li>• A terminal procedure for companies partnerships and natural persons.</li> <li>• It requires a creditor's application for enforcement proceedings.</li> <li>• Execution is performed by an execution officer, who will seize and sell the debtor's assets in order to meet the claims of creditors.</li> </ul>	
<b>LOCAL NAME</b>	Yksityishenkilön velkajärjestely
<b>ENGLISH TRANSLATION</b>	Adjustment of the Debts of a Private Individual
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A restructuring procedure for natural persons commenced by the debtor (or jointly by co-debtors /spouses).</li> <li>• A court may appoint a receiver to realise the debtor's assets.</li> <li>• The procedure provides for an arrangement of debts, usually including a composition with creditors, which is approved by the court.</li> <li>• When a schedule of payments is attached to the application, the court will first give creditors an opportunity to provide written statements regarding the proposal. The court will approve a payment schedule (usually three years) for arranged debts. Finnish legislation provides a statutory standstill period for debts included in the debt arrangement.</li> <li>• The arrangement of debts cannot compromise the claims of secured creditors and a secured creditor may apply for permission of the court to bring execution proceedings.</li> <li>• At the end of the period prescribed by the schedule of payments, the debtor is released from his/her arranged debts. However, this happens only if the schedule of payments has been complied with and all payments have been made in accordance with it.</li> </ul>	
<b>Secured creditor enforcement procedures</b>	There are no specific enforcement procedures that are only available to secured creditors.
<b>Anticipated changes in the next two years</b>	<p>There is on-going work to revise the Bankruptcy Act in Finland and minor procedural changes to bankruptcy proceedings are anticipated.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing</li> </ul>

	<p>necessary to implement a restructuring plan; and</p> <ul style="list-style-type: none"><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul>
--	---

<b>FRANCE</b>	
<b>LOCAL NAME</b>	Mandat ad hoc
<b>ENGLISH TRANSLATION</b>	Preventative composition with creditors - Ad hoc proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An out-of-court procedure opened by the President of the Court at the request of the debtor's legal representative for a debtor experiencing legal, economic or financial difficulties but which is cash flow solvent.</li> <li>• A "mandataire ad hoc" - insolvency practitioner - is appointed in order to assist negotiations with the debtor's principal creditors but the debtor maintains full control of its assets. The debtor must cooperate with the mandataire ad hoc and the major creditors to negotiate a solution to its difficulties.</li> <li>• Major creditors are invited to consider debt rescheduling and/or cancellation and/or an injection of new money. In addition, the main shareholders can be invited to negotiate and potentially re-capitalise the company.</li> <li>• A debt restructuring agreement accepted by some creditors cannot be imposed on other dissenting creditors, as the process is consensual and no cram-downs can be imposed.</li> <li>• There is no stay on enforcement proceedings on the opening of ad hoc proceedings; however, management can apply for a moratorium (for a maximum of two years) if creditors attempt to enforce their rights while ad hoc proceedings are pending. Mandat ad hoc is fully confidential.</li> </ul>	
<b>LOCAL NAME</b>	Conciliation
<b>ENGLISH TRANSLATION</b>	Preventative composition with creditors - Conciliation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An out-of-court procedure opened at the request of the debtor's legal representative. The debtor must face legal, economic or financial difficulties, and not be cash flow insolvent for more than 45 days.</li> <li>• A "conciliateur" is appointed by the court for five months with a view to reaching an agreement between the debtor and its main creditors (i) to put an end to the debtor's difficulties and/or (ii) to prepare a plan for the sale of the business within any of sauvegarde - accélérée, financière accélérée - redressement judiciaire proceedings - a "prepack plan".</li> <li>• Conciliation is not an insolvency proceeding and remains confidential provided that the agreement reached by the debtor and its creditors is not judicially sanctioned by the court. A restructuring plan accepted by some creditors cannot be imposed on others unless "accelerated financial safeguard" or "accelerated safeguard" proceedings are opened.</li> <li>• The debtor remains in control of its assets. There is no freezing effect and the opening of conciliation proceedings does not trigger an automatic stay on creditor enforcement action. However, the judge may issue a debt deferral for up to two years against certain creditors.</li> <li>• Parties to the agreement, once fully sanctioned or recognised by the court, are barred from initiating legal proceedings against the debtor.</li> </ul>	
<b>LOCAL NAME</b>	Sauvegarde
<b>ENGLISH TRANSLATION</b>	Preventative debt and business restructuring procedure - Safeguard proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-supervised procedure to alleviate a debtor's financial difficulties. It is opened at the sole request of a debtor's representative and is only available to cash-flow-solvent debtors experiencing difficulties that cannot be overcome.</li> <li>• Immediately following a judgment opening safeguard proceedings, an observation period starts for six months, renewable once for a further six months and, under exceptional circumstances, for a further six months after that (a total of 18 months).</li> </ul>	

- The observation period imposes an automatic stay on all actions against the debtor and the debtor is prevented from making payments of pre-procedure claims
- An "administrateur judiciaire" is appointed by the court who supervises and/or assists the debtor or its management which remain in control of the company and its assets. The court also appoints a "mandataire judiciaire" to represent creditors' interests and assess proofs of claim and a "juge-commissaire" - supervisory judge - who supervises the proceedings.
- The debtor and administrator, will prepare a "plan de sauvegarde" during the observation period. The content of the plan is flexible (rescheduling of debt, write-offs, debt for equity swap) and voted on by a creditors' committee or creditors generally.
- If the debtor fails to comply with the terms of the plan or becomes cash-flow insolvent, the court may open either a "redressement judiciaire" procedure if rescue remains possible, or a "liquidation judiciaire" procedure if rescue is manifestly impossible.

<b>LOCAL NAME</b>	Sauvegarde accélérée
<b>ENGLISH TRANSLATION</b>	Accelerated debt and business restructuring procedure (pre-pack plan)

- KEY FEATURES**
- A court-supervised procedure, which can be opened at the sole request of the debtor provided it has not been cash-flow insolvent for more than 45 days prior to the request to open a conciliation procedure which preceded it.
  - The debtor remains in control of its assets.
  - Intended to facilitate the negotiation of a pre-packaged plan with the ability to cram-down dissenting minority creditors through the votes of classes of creditors.
  - Available to mid-cap debtors that have: (i) previously been subject to a "conciliation" procedure; and (ii) drawn up a restructuring plan aimed at ensuring the sustainability of its business which (iii) is likely to be approved by at least a two-thirds majority in value of financial creditors and trade creditors (and if relevant, bondholders)) to enable the plan to be adopted within three months following the judgment opening the procedure.
  - Imposes a stay on creditor enforcement action limited to three months from the date of the judgment opening the procedure.

<b>LOCAL NAME</b>	Sauvegarde financière accélérée
<b>ENGLISH TRANSLATION</b>	Financial creditors debt restructuring agreement (financial debt restructuring prepack plan)

- KEY FEATURES**
- A court-supervised procedure (a variant of "sauvegarde accélérée") which can be opened at the sole request of the debtor provided the debtor has not been cash-flow insolvent for more than 45 days prior to the request for the opening of the conciliation procedure which preceded it.
  - It applies to financial creditors only (and not trade creditors).
  - The debtor remains in control of its assets.
  - The debt restructuring plan must be adopted by the financial creditors within a period of one month, renewable once. The consent of a majority of at least two-thirds in value of financial creditors (represented at the meeting) must be obtained.
  - An automatic stay of all actions against the debtor applies only to financial creditors.

<b>LOCAL NAME</b>	Redressement judiciaire
<b>ENGLISH TRANSLATION</b>	Judicial reorganisation

- KEY FEATURES**

<ul style="list-style-type: none"> <li>• An insolvency procedure available only for debtors which are cash-flow insolvent.</li> <li>• Court-supervised, intended to safeguard the debtor's activities and prospects of recovery. It can be commenced at the request of either the debtor's legal representative, any creditor or the public prosecutor.</li> <li>• A "mandataire judiciaire" is appointed by the court to represent creditors' interests and deal with creditors' claims.</li> <li>• The court also appoints an "administrateur judiciaire" who manages the debtor's assets and, in the case of a company, might either supervise the company, assist the directors in all or some management decisions, or be authorised to take over the management and the control of the company.</li> </ul>	
<b>LOCAL NAME</b>	Liquidation judiciaire
<b>ENGLISH TRANSLATION</b>	Judicial liquidation / bankruptcy proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-supervised procedure for debtors that are cash flow insolvent and where rescue is manifestly impossible.</li> <li>• Can be opened at the request of either the debtor, any creditor or the public prosecutor.</li> <li>• The judgment opening the procedure starts an automatic moratorium and all enforcement actions against the debtor are stayed.</li> <li>• The court appoints a "liquidateur judiciaire" whose task is to conclude the debtor's business activities and sell its assets.</li> <li>• Where the debtor is a company, its directors lose all powers of management, and in all other cases, the debtor loses all rights to dispose of its assets.</li> <li>• The judgment opening the "redressement judiciaire" starts an observation period of six months during which an automatic stay on creditor enforcement action prevents creditors from taking action against the debtor and the debtor is prevented from making payments to any creditor in respect of claims arising before the opening of the insolvency proceedings.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>

<b>GERMANY</b>	
<b>LOCAL NAME</b>	Insolvenzverfahren
<b>ENGLISH TRANSLATION</b>	(Ordinary) insolvency proceeding
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An insolvency procedure which can be opened by petition of the debtor or a creditor in relation to a legal entity (juristische Person), all forms of German partnerships or a natural person (except consumers).</li> <li>• The insolvency court appoints a preliminary insolvency administrator (vorläufigen Insolvenzverwalter) (selected/appointed by the Court and creditors' committee) and orders that any enforcement action against the debtor during the insolvency proceeding, including secured-creditor enforcement, is prohibited (except for enforcement against real property).</li> <li>• The moratorium applies during both the preliminary insolvency proceeding and once the formal insolvency proceeding is opened by the court.</li> <li>• The court will open an insolvency proceeding if the debtor is facing (impending) illiquidity and/or, for companies only, is over-indebted (überschuldet) and where the costs of the insolvency proceeding are covered.</li> <li>• The (preliminary) administrator ((vorläufigen) Insolvenzverwalter) takes control of the debtor's assets to achieve a going-concern sale or to liquidate the company.</li> <li>• After the insolvency administrator has paid creditors or distributed the available assets/proceeds to creditors, the insolvency court will conclude the insolvency proceeding.</li> </ul>	
<b>LOCAL NAME</b>	Eigenverwaltung
<b>ENGLISH TRANSLATION</b>	Debtor-in-possession (DIP) proceeding
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An insolvency procedure in which a debtor (being a legal entity (juristische Person), all forms of German partnerships or a natural person (except consumers) applies to court for permission to manage and dispose of its insolvent estate itself under the supervision of a supervisor (Sachwalter).</li> <li>• Often but not necessarily combined with an insolvency plan proceeding.</li> <li>• Management remains in place, normally supported by a restructuring officer. The debtor retains control of its assets, subject to the supervision of the court-appointed (preliminary) supervisor ((vorläufiger) Sachwalter). The person proposed to be appointed as (preliminary) supervisor is put forward by the debtor and examined by the court.</li> <li>• There is a stay on enforcement action during DIP proceedings (and insolvency plan proceeding, if any), including any enforcement action by secured creditors.</li> <li>• Self-employed persons are entitled to apply to be released from their debts (Restschuldbefreiungsverfahren) which does not apply to company/partnership debtors.</li> </ul>	
<b>LOCAL NAME</b>	Insolvenzplanverfahren
<b>ENGLISH TRANSLATION</b>	Insolvency plan proceeding
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A special type of insolvency procedure available to companies, all forms of German partnerships and natural persons aimed at restructuring the debtor with the support of its creditors outside of the constraints of the German Insolvency Code.</li> <li>• The proceeding provides a flexible mechanism for debtors to regulate repayment of debts due to secured and unsecured creditors to realise and distribute assets.</li> <li>• Commenced when the debtor or an insolvency administrator (in case of DIP proceedings the court-appointed supervisor (Sachwalter)) submits a draft restructuring or insolvency plan to the insolvency court. Only the legality</li> </ul>	

of an insolvency plan is reviewed by the court.

- Classes of creditors vote to approve the plan, which must also be approved by the court. A simple majority by value and by number in each class must vote in favour of the plan for it to be approved. If any class of creditors votes against the plan, the court may override that decision, if it concludes that those creditors would not be prejudiced by the plan. Once approved, the plan binds all creditors.
- Creditors cannot enforce their security during the procedure but may do so once an insolvency plan has been confirmed by the court.
- Self-employed persons are entitled to apply to be released from their debts (Restschuldbefreiungsverfahren) which does not apply to company/partnership debtors.

<b>LOCAL NAME</b>	Schutzschirmverfahren
<b>ENGLISH TRANSLATION</b>	Protective shield proceeding

**KEY FEATURES**

- An insolvency procedure which creates a moratorium to give a debtor (being a legal entity (juristische Person), all forms of German partnerships or a natural person) an opportunity to develop an insolvency plan to be implemented in a subsequent insolvency plan proceeding, while enjoying protection from enforcement by its creditors.
- The debtor continues to manage and dispose of its assets whilst preparing an insolvency plan under the supervision of a preliminary supervisor (vorläufiger Sachwalter), supervised by the insolvency court.
- The court may order a stay on all creditor enforcement action for up to three months, at the debtor's request.
- Among the prerequisites for protective shield proceedings, the debtor must demonstrate that creditors will not be prejudiced by the proceeding.
- Self-employed persons are entitled to apply to be released from their debts (Restschuldbefreiungsverfahren) which does not apply to company/partnership debtors.

<b>LOCAL NAME</b>	Verbraucherinsolvenzverfahren
<b>ENGLISH TRANSLATION</b>	Consumer insolvency proceeding

**KEY FEATURES**

- The only insolvency procedure available to consumers.
- Before instigating a consumer insolvency proceeding, the consumer must try to reach a compulsory out-of-court settlement (außergerichtlicher Einigungsversuch) and has the option of pursuing a judicial debt settlement plan (gerichtlicher Schuldenbereinigungsplan), or residual-debt exemption proceedings (Restschuldbefreiungsverfahren).
- During attempts to reach a settlement, a moratorium protects the debtor from creditor action.
- The court appoints an administrator (Insolvenzverwalter) to take over control of the debtor's assets/income with the aim of repaying creditors. The moratorium continues whilst the administrator is in control of the assets.
- Among the prerequisites for the court to appoint an administrator, the consumer must not benefit from any receivables arising from employment relationships and must be insolvent, ie facing (impending) illiquidity.

<b>LOCAL NAME</b>	Zwangsverwaltung
<b>ENGLISH TRANSLATION</b>	Forced sequestration

**KEY FEATURES**

- A creditor holding security over real property belonging to a company, any type of partnership or individual may apply for a forced sequestration. The property is administered by an administrator appointed by the Court following the creditor's application.

<ul style="list-style-type: none"> <li>The secured creditor's debt is satisfied out of any income deriving from the property, such as rents from tenants, after deducting ongoing costs including public charges and enforcement costs. This form of foreclosure is often costly.</li> </ul>	
<b>LOCAL NAME</b>	Zwangsversteigerung
<b>ENGLISH TRANSLATION</b>	Forced public auction
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>The judicial sale of real property. The procedure entails the local court effecting a compulsory sale of real property owned by a company, any type of partnership or individual by way of public auction following an application for foreclosure by a creditor holding security over the property.</li> <li>The secured creditor's debt is satisfied from the sale proceeds. The secured creditor may not reject bids of at least 70% of the determined market value in the first auction and 50% in the second auction (to the extent that the property does not sell at the first auction) (or below if a bid of less than 70% was rejected in the first auction). As auction sales tend to generate lower proceeds, it is possible for a debtor and security holder to agree to sell the property out of court. However, a creditor cannot do this without debtor consent.</li> </ul>	
<b>LOCAL NAME</b>	Verwertung verpfändeter Geschäftsanteile
<b>ENGLISH TRANSLATION</b>	Enforcement of share pledge
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A share pledge granted by a company is enforced by way of a sale of the shares in a public auction run by a court or an auctioneer.</li> <li>Shares may be sold in a private sale if a price for the pledged shares is determined on a stock exchange or the parties agree otherwise. As a share pledge enforcement always requires a due and payable claim in favour of the holder of the share pledge to have arisen, the company is technically insolvent on the day that the shares are sold and this affects value.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>an effective preventative restructuring framework;</li> <li>a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>an ability to cram down dissenting classes of creditors;</li> <li>adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>



<b>GREECE</b>	
<b>LOCAL NAME</b>	Η ειδική εκκαθάριση εν λειτουργία (ΠτΚ Αρθ 106 ια) ΚΑΤΑΡΓΗΣΗ ΑΡΘΟΥ
<b>ENGLISH TRANSLATION</b>	Special liquidation (now abolished)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure which has been abolished but its aim was the continuation of the debtor's business as a going concern for public auction.</li> <li>• The procedure could be requested by the debtor or a creditor and commenced if payments to creditors had ceased or cessation was imminent.</li> <li>• If approved, management of the debtor's affairs was taken over by a special liquidator.</li> <li>• During the procedure, creditors were not able to exercise any enforcement rights pertaining to the business assets under special liquidation.</li> </ul>	
<b>LOCAL NAME</b>	Θεσμός έκτακτης διαχείρισης (Ν. 4307/2014)
<b>ENGLISH TRANSLATION</b>	Special Administration procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure to transfer the debtor's business as a going concern, or its assets, through a public auction and for creditors to be repaid from the auction proceeds.</li> <li>• A petition to open the procedure and appoint a special administrator (who will take over management of the debtor's business for 12 months) can be filed at court by the debtor's creditors representing at least 40% of total debts - at least one of which must be a credit or financial institution.</li> <li>• Any debtor which is a legal entity pursuing a financial purpose can be subject to the procedure.</li> <li>• Between commencement and a decision opening the procedure, any interested party can apply to court for an appropriate preliminary measure to preserve the debtor's assets. Such measures will also apply to co-debtors.</li> <li>• The opening of the procedure involves an automatic moratorium on all enforcement actions but does not entitle parties to terminate their contracts with the debtor or revoke licences.</li> <li>• The special administrator will continue the business of the debtor until its transfer to a third party through a public auction.</li> </ul>	
<b>LOCAL NAME</b>	ΕΚΤΑΚΤΗ ΔΙΑΔΙΚΑΣΙΑ ΡΥΘΜΙΣΗΣ ΥΠΟΧΡΕΩΣΕΩΝ ΕΜΠΟΡΩΝ (ΜΕ ΔΕΣΜΕΥΤΙΚΗ ΔΥΝΑΜΗ ΓΙΑ ΤΟ ΣΥΝΟΛΟ ΤΩΝ ΠΙΣΤΩΤΩΝ)
<b>ENGLISH TRANSLATION</b>	Special process for the settlement of commercial debts
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure for any type of legal entity to settle its debts through an agreement with its creditors.</li> <li>• The court will examine: (i) if the debtor is currently unable to pay its debts or likely to become unable to do so; and (ii) whether it has paid relevant tax debts</li> <li>• Creditors representing at least 50.1% of the total claims secured in rem must consent to the proposed settlement. At least two such creditors must be credit institutions, representing 20% of the above claims.</li> <li>• The creditors' consent is expressed through an agreement with the debtor which can provide for any appropriate measure for restructuring of the debtor's obligations, and must include an assessment of the viability of the debtor.</li> <li>• Until the court decides on the agreed settlement, the debtor retains the management of its business.</li> <li>• Any interested party can apply to court for appropriate measures to preserve the debtor's or co-debtor's assets.</li> <li>• A moratorium on enforcement arises and a stay preventing the debtor and its co-debtors from disposing of their</li> </ul>	

immovable assets and equipment.	
<ul style="list-style-type: none"> <li>Once ratified by the court, the agreement: (i) is binding on all the parties, including non-consenting creditors, and the obligations of the co-debtors are affected in the same way as those of the debtor (ii) results in the automatic settlement of any debts to employees (iii) entitles the debtor to request a reduction of penalty amounts due to tax authorities; and (iv) results in a moratorium on individual enforcement actions for a period of up to three months (if provided for in the agreement) and a moratorium on collective enforcement actions for a period of up to 12 months.</li> </ul>	
<b>LOCAL NAME</b>	Διαδικασία Εξυγίανσης(ΠτΚ Άρθρό 99 -106(1))
<b>ENGLISH TRANSLATION</b>	Rehabilitation Plan
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A debtor-creditor agreement, aimed at rescuing the debtor's business. It can be applied to any business (individual or legal entity) or any for-profit legal entity.</li> <li>A successful rehabilitation avoids bankruptcy whereas a successful reorganisation procedure leads to the termination of a bankruptcy procedure and the debtor regains control of the business.</li> <li>The debtor or the bankruptcy trustee may apply to the competent court to initiate the rehabilitation or reorganisation procedure. In rehabilitation, a settlement is reached as a result of negotiations between the debtor and its creditors together with a separate business plan having the same duration as the settlement agreement.</li> <li>A temporary suspension of enforcement measures against the debtor's property may be granted by the court for the period of the rehabilitation.</li> <li>Creditors or the debtor may apply to court for the appointment of a mediator to facilitate a rehabilitation agreement between them but this is not possible in a reorganisation.</li> <li>Creditor approval of the plan is subject to the same majority in both procedures. In rehabilitation, a creditors' meeting is not required (in such case creditors can be approached ad hoc) and the plan can be voted for by creditors representing at least 60% of claims, including at least 40% of secured creditor claims (or those with special privilege including those with mortgage pre-notations). A creditors' meeting can be convened.</li> <li>A rehabilitation plan must be ratified by the court and is then binding on all creditors.</li> <li>A transfer of business through an approved rehabilitation plan does not require any public tender procedure, and can include a hive down to an established SPV.</li> </ul>	
<b>LOCAL NAME</b>	Ρύθμιση χρεών μικρών επιχειρήσεων και επαγγελματιών
<b>ENGLISH TRANSLATION</b>	Debt settlement for SMEs and independent professionals
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A natural person subject to bankruptcy proceedings and any legal entity acquiring income from business activities may file an application for this type of debt settlement procedure.</li> <li>It can only be used by SMEs with a turnover less than €2.5M and small entrepreneurs.</li> <li>The settlement comprises a private agreement.</li> </ul>	
<b>LOCAL NAME</b>	Απλοποιημένη διαδικασία επί πτωχεύσεων μικρού αντικειμένου (ΠτΚ Άρθρα 162-163)
<b>ENGLISH TRANSLATION</b>	Simplified procedure for small bankruptcies
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>Similar to Greece's ordinary bankruptcy proceedings, but applies where the debtor's assets are valued at less than €100,000 and where no security has been taken over real estate.</li> <li>The liquidator verifies and adjudicates creditor claims and makes distributions to creditors.</li> </ul>	

<b>LOCAL NAME</b>	Σχέδιο αναδιοργάνωσης(Αρθρα 107-130 ΠτΚ)
<b>ENGLISH TRANSLATION</b>	Reorganisation plan
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An agreement between the debtor and its creditors with a view to rescuing the debtor's business. It can be applied to any business (individual or legal entity) or any for-profit legal entity.</li> <li>• Any debtor is allowed, within four months of being declared bankrupt, or filing a voluntary bankruptcy petition, to propose a reorganisation plan. A liquidator may also propose a reorganisation plan.</li> <li>• Acceptance of a reorganisation plan requires a majority of 60% of total claims, at least 40% of which must be secured. Following judicial pre-approval, a creditors' meeting votes on the plan. Once the plan is accepted, it requires judicial ratification.</li> <li>• Ordinarily a liquidator will take control of the business but the Bankruptcy Court can permit the debtor to do so, subject to a liquidator's cooperation.</li> <li>• Between the filing of the petition for bankruptcy and the order, the bankruptcy court (on application of any party with a lawful interest) can order any measure to prevent alteration or depletion of the debtor's estate that is detrimental to creditors.</li> <li>• The declaration of bankruptcy puts into immediate effect a moratorium on all enforcement actions by unsecured and general preferential creditors.</li> <li>• Secured creditors cannot continue pursuing claims against secured assets that are closely connected to the debtor's business until the reorganisation plan is approved. Any enforcement procedures attempted during the suspension are null and void.</li> </ul>	
<b>LOCAL NAME</b>	Η πτώχευση(ΠτΚ Αρθρα 1-98)
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Bankruptcy is initiated with a view to the collective satisfaction of creditors' claims by liquidating the debtor's estate or by a reorganisation of the debtor's business.</li> <li>• Bankruptcy proceedings can be initiated by or against any business (individual or legal entity) or any for-profit legal entity. Any debtor that has ceased payments in a general and permanent way (defined as an inability to pay debts as they fall due) must file a bankruptcy petition within 30 days following cessation of payments.</li> <li>• A debtor that is in imminent financial distress can also file a bankruptcy petition, as can a creditor provided the debtor has ceased payments in a general and permanent way.</li> <li>• Once a debtor is declared bankrupt, an insolvency administrator (syndikos) will be appointed to manage the debtor's assets and affairs. In exceptional circumstances, a debtor can remain in control of its assets and affairs, with the insolvency administrator's cooperation. The bankruptcy court and the court-appointed reporting judge supervise the bankruptcy proceedings.</li> <li>• On the submission of an application for a bankruptcy declaration and until the grant of the relevant order, a stay against all enforcement actions can be provided as a preliminary measure.</li> <li>• Once the debtor is declared bankrupt, all unsecured and general preferential creditors are barred from enforcing their rights and remedies against the debtor.</li> <li>• Secured creditors can continue to pursue claims against secured assets unless the secured assets are closely connected to the debtor's business, production unit or enterprise.</li> <li>• The stay remains in place until either a reorganisation plan is approved or the creditors' committee decides whether the liquidator will: (i) continue the debtor's commercial activities for a certain period of time; (ii) lease the business; (iii) sell the company as a going concern through a public auction; or (iv) proceed to a piecemeal sale of the debtor's assets.</li> <li>• Liquidation proceedings are concluded on liquidation of all the debtor's assets.</li> </ul>	

<b>LOCAL NAME</b>	Ρυθμίσεις για τους ενέγγυους πιστωτές
<b>ENGLISH TRANSLATION</b>	Provisions for secured creditors
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Secured creditors are higher ranked than unsecured creditors and thus receive priority payment from liquidation proceeds.</li> <li>• Any suspension of individual actions during insolvency proceedings does not apply to secured creditors in relation to the secured assets of the insolvency estate.</li> <li>• Security interests over movable assets, real estate, aircraft and ships can only be enforced in enforcement proceedings, in accordance with the applicable procedural requirements of the Greek Code of Civil Procedure.</li> <li>• Security interests over bank accounts, trade receivables, insurance claims and generally monetary business claims and security interests qualifying as financial collateral (within the meaning of Directive 2002/47/EC on financial collateral arrangements, transposed into Greek law by Law 3301/2004) can normally be enforced without formal enforcement proceedings.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>

<b>HUNGARY</b>	
<b>LOCAL NAME</b>	Csődeljárás
<b>ENGLISH TRANSLATION</b>	Reorganisation proceedings supervised by the court (also known as bankruptcy proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court supervised procedure, available to both companies and partnerships, designed to allow for a reorganisation of the entity's debt with a view to enabling it to keep trading. It is not necessary for the debtor to be insolvent.</li> <li>• Proceedings are instigated by the debtor filing a petition at court. Within 60 days of commencement of the reorganisation proceedings, the debtor must present a composition agreement/restructuring plan to its creditors. Creditors vote in classes (secured and unsecured). Provided that a simple majority of both secured and unsecured creditors vote in favour of the composition agreement, it will be approved and be binding on all creditors.</li> <li>• Under the composition agreement, secured creditors may not be repaid in full. However, this is subject to the overriding principle of good faith. The composition agreement should not contain provisions or conditions that are clearly and manifestly unfavourable or unreasonable from the point of view of creditors as a whole, or of certain groups of creditors.</li> </ul>	
<b>LOCAL NAME</b>	Felszámolási eljárás
<b>ENGLISH TRANSLATION</b>	Insolvent liquidation proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Proceedings can be initiated in respect of both companies and partnerships by creditor's petition, the debtor, an insolvency practitioner appointed in main proceedings or by the court.</li> <li>• The aim is to liquidate the debtor and distribute its assets on a pro-rata basis among creditors, taking into consideration the priority of creditors' claims.</li> <li>• The liquidator ("felszámoló") in charge of the procedure is supervised by the insolvency court and a creditor's committee.</li> <li>• Following the commencement of liquidation proceedings, no enforcement proceedings (including actions by secured creditors) can be brought against the debtor. The only exception to this is where a creditor is seeking to enforce security deposits ("óvadék"), which can be enforced outside of the liquidation proceedings. Litigation commenced prior to the liquidation proceedings is permitted to continue alongside the liquidation proceedings. If judgment is granted in litigation, a claim will need to be submitted to the liquidator for enforcement.</li> <li>• Following distribution of the proceeds of the debtor's estate, the debtor is dissolved.</li> </ul>	
<b>LOCAL NAME</b>	Természetes személyek adósságrendezési eljárása
<b>ENGLISH TRANSLATION</b>	Debt settlement proceedings available for natural persons
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Aimed at facilitating the conclusion of a settlement agreement between a natural person and his creditors. Beyond this, there are no insolvency proceedings available for natural persons.</li> <li>• The value of the debt must exceed the debtor's assets but not by more than 200% and the total debts must be between HUF 2 million and 60 million. Debts which arise, even partially, from shareholders' or directors' liability will not be subject to (or benefit from) debt settlement proceedings.</li> <li>• For the duration of the proceedings, creditors are not permitted to bring any enforcement action against the debtor.</li> <li>• Secured creditors' claims can be compromised but only with their consent.</li> <li>• The individual remains subject to the debt settlement proceedings until the relevant claims are either paid or time barred.</li> </ul>	

<b>LOCAL NAME</b>	Zálogjog érvényesítése
<b>ENGLISH TRANSLATION</b>	Enforcement of mortgage
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Methods of enforcement available to secured creditors: <ul style="list-style-type: none"> <li>○ court (judicial) enforcement proceedings (requires a court judgment on the merits of the case or a court order which confirms, without reviewing the merits of the case, the payment obligation);</li> <li>○ private sale by a mortgagee;</li> <li>○ enforcement of a right or claim against a third party;</li> <li>○ a mortgagee may accept title to property as consideration for full or partial discharge of the secured obligations if the parties agree (consensual); or</li> <li>○ for charges documented by notarial deed, and where both parties agree a reserve price, a sale through public auction.</li> </ul> </li> <li>• None of the above methods of enforcement may be exercised once collective insolvency proceedings ("csődeljárás" or "felszámolási eljárás") have been commenced against the debtor.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>

<b>IRELAND</b>	
<b>LOCAL NAME</b>	Scheme of Arrangement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An arrangement between a company and its creditors and members to financially restructure the business. There is a court route and an out-of-court route.</li> <li>• The court route applies to solvent and insolvent companies and provides a stay on all proceedings against the company.</li> <li>• The out-of-court route applies where the company is, or is about to be placed into liquidation and no stay on proceedings is available.</li> <li>• The company draws up a scheme proposal which binding when (i) a 75% majority at the scheme meeting vote to accept the proposal, (ii) notice of the final court hearing has been advertised; and (iii) the court sanctions the scheme. The scheme is binding on all creditors, even the minority who voted against it.</li> <li>• Once a scheme is approved, the company's debts are treated in the manner provided by the scheme proposals.</li> <li>• The company continues to trade throughout the process and its directors remain in control.</li> </ul>	
<b>LOCAL NAME</b>	Creditors Voluntary Liquidation or CVL
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A terminal process initiated by the directors , who recommend that a meeting of members is convened to resolve to place the company into CVL as it cannot continue to trade as a result of its liabilities.</li> <li>• A liquidator is appointed to realise the assets of the company and distribute proceeds to creditors. After distribution, the company is dissolved.</li> <li>• There is no automatic stay on legal proceedings against the company and there is no ability to apply to court for an order to prevent a party from commencing or continuing legal proceedings, as it is an out-of-court process. However once a company is in liquidation, a party wishing to issue proceedings must obtain leave of the court.</li> </ul>	
<b>LOCAL NAME</b>	Compulsory Liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A terminal process commenced by creditor's petition to the court following non-payment of a statutory demand for a liquidated sum.</li> <li>• In cases of sufficient urgency, the court can appoint a provisional liquidator.</li> <li>• A liquidator is appointed to realise the assets of the company and distribute proceeds to creditors. After distribution, the company is dissolved.</li> <li>• There is no moratorium on actions against the company, although the company or a creditor can apply to court for an order that no party be entitled to commence or continue legal proceedings whilst the petition is pending determination. Once in liquidation, proceedings cannot be commenced against the company without sanction of the court.</li> </ul>	
<b>LOCAL NAME</b>	Examinership
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The main rescue procedure for companies in Ireland. It is commenced by petition to court by the company, its directors, creditors, or members representing at least 10% in paid-up capital carrying voting rights.</li> <li>• The company's directors remain in control of the day-to-day running of the business, subject to certain rights of the Examiner to apply to court.</li> <li>• Court protection is given for 70 days (can be extended to 100 days in certain circumstances) during which the rights</li> </ul>	

of creditors are restricted.

- Examinership is only available where a company is unable to pay its debts, there is no resolution for winding up and there is a reasonable prospect of the company's survival as a going concern.
- The Examiner formulates a scheme of arrangement for the company, which requires the acceptance of a simple majority of creditors and then is approved by the court. Once court approval is received, the scheme is binding on all creditors.

<b>LOCAL NAME</b>	Personal Insolvency Arrangement or PIA
-------------------	--

**KEY FEATURES**

- A Personal Insolvency Arrangement is an agreed settlement of secured debt up to €3 million and unsecured debt with no limit on value. PIA is usually put in place for a period of six years.
- A voluntary arrangement and requires support of at least 65% in value of creditors, although support of 50% of secured and 50% of unsecured creditors is also required.
- The court is able to review the arrangement if a secured creditor rejects the PIA.
- After an agreed period, the debtor will be discharged from unsecured debts covered by the PIA, but secured debt will only be discharged to the extent agreed in the PIA.

<b>LOCAL NAME</b>	Debt Relief Notice or DRN
-------------------	---------------------------

**KEY FEATURES**

- A procedure available to very low income debtors which allows a debtor to write off unsecured (and in some cases secured) debt up to a certain limit (currently €5,000) after a three-year supervision period.
- During the three-year period, creditors cannot pursue the debtor for payment, but if personal circumstances improve, the debtor can be required to pay part of the debt.
- The debtor applies for a DRN via an Approved Intermediary.
- There are conditions on what debts can be included in a DRN.

<b>LOCAL NAME</b>	Debt Settlement Arrangement or DSA
-------------------	------------------------------------

**KEY FEATURES**

- Provides an agreed settlement of unsecured debt with no time limit, but usually over five years.
- A DSA is available if a debtor is ineligible for a Debt Relief Notice (DRN).
- Support of at least 65% of total creditors in value is required.
- The DSA is managed by a Personal Insolvency Practitioner.
- After the period of the agreement, the debtor will be discharged from his debts.

<b>LOCAL NAME</b>	Bankruptcy
-------------------	------------

**KEY FEATURES**

- A petition for bankruptcy can be presented by the debtor or a creditor in respect of secured and unsecured debt where the debtor's liabilities exceed the value of his assets by €20,000 or more.
- Debtor voluntary bankruptcy is only available if the debtor has attempted to resolve difficulties via DRN, DNA and PIA.
- The debtor is automatically discharged from bankruptcy within one year. However he can be liable to make payments to the Official Assignee for three years after the making of the bankruptcy order.
- The presentation of a petition will result in a stay on all outstanding enforcement proceedings on application of the Official Assignee. Once a bankruptcy order is made, no creditor can take action against the bankrupt without leave of the court.

<ul style="list-style-type: none"> <li>Secured creditors can realise their security separately from the bankruptcy estate and can choose to prove in the bankruptcy for any unsecured balance due.</li> </ul>	
<b>LOCAL NAME</b>	Receivership
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>Arrangements under the control of the court which involve the vesting of all or part of the property of the debtor in the Official Assignee for realisation and distribution.</li> <li>A Receiver can be appointed to a company if the ability to appoint is contained in a debenture or by the court.</li> <li>The Receiver will take control and seek to realise assets of the company to secure repayment of sums due to the secured creditor.</li> <li>A Receiver can be appointed over the entire undertaking of a company and can trade the company if that would be of benefit to the company and the secured creditor.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>an effective preventative restructuring framework;</li> <li>a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>an ability to cram down dissenting classes of creditors;</li> <li>adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>

## ITALY

<b>LOCAL NAME</b>	Concordato preventivo
<b>ENGLISH TRANSLATION</b>	Composition plan with creditors

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-supervised procedure where a debtor in financial difficulty/insolvent seeks to combine all outstanding indebtedness by submitting to the court a proposal to all creditors.</li> <li>• The procedure is initiated by the debtor filing a petition with the court with a number of supporting documents (including the restructuring plan and an independent expert's opinion verifying the debtor's financial position and the feasibility of the proposal). It is also possible to file a straightforward petition for settlement while reserving the right to file the proposal to creditors and the other supporting documents within usually 60 to 120 days (extendable to a maximum of 180 days). Within the same term it is possible to negotiate and file a debt restructuring agreement in lieu of a settlement.</li> <li>• The proposal must be (i) approved by a majority in value of creditors (if the creditors are split into classes, it must also be approved by a majority of the classes); and subsequently (ii) validated by the court.</li> <li>• The debtor remains in control of its assets throughout the procedure (under the supervision of a court-appointed official with pervasive powers) in order to continue trading. The debtor will require prior approval from the court to enter into any extraordinary transactions.</li> <li>• The proposal can provide for secured creditors not to be repaid in full, provided they receive no less than in a liquidation scenario.</li> <li>• When a petition for settlement is filed with the court and registered on the Enterprises Register, the debtor is automatically granted a stay from individual actions by its creditors. The stay does not, however, prevent enforcement of share pledges granted pursuant to the financial collateral directive.</li> </ul>	

<b>LOCAL NAME</b>	Accordi di ristrutturazione dei debiti
<b>ENGLISH TRANSLATION</b>	Debt restructuring agreement (DRA)

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A debtor can enter into an out-of-court debt restructuring agreement (DRA) with its creditors which should subsequently be validated by a court decree.</li> <li>• The debtor does not need to be insolvent and should negotiate with creditors representing at least 60% of the aggregate outstanding debt.</li> <li>• The DRA must be published in the Enterprises Register, along with an independent experts report (certifying the accuracy of the debtor's data and the feasibility of the underlying restructuring plan) and the court's validation of the plan. Within 30 days from its publication, creditors and/or other interested parties may challenge the DRA.</li> <li>• On publishing the DRA, an automatic stay for 60 days prevents all creditors from commencing any enforcement actions against the debtor and its assets. In certain circumstances, such a stay may also apply pending the negotiation of the agreement.</li> <li>• A validation decree completes the procedure. After validation, the debtor must implement the DRA with no further intervention by the court and can carry on business as normal in line with the provisions of the DRA.</li> </ul>	

<b>LOCAL NAME</b>	Accordi di ristrutturazione con intermediari finanziari
<b>ENGLISH TRANSLATION</b>	DRA with financial creditors

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The following special provisions apply to DRAs entered into with financial creditors (ie banks and other financial</li> </ul>	

intermediaries):

- The procedure is available only if the debtor's financial indebtedness (ie liabilities vis-a-vis banks of other financial creditors) exceeds 50% of its aggregate outstanding debt;
- financial creditors can be split into classes by aggregating homogenous claims.
- if the plan is approved by creditors holding at least 75% of the outstanding financial indebtedness relating to each class, it will extend its effects to the remaining dissenting creditors of the same class, provided that certain conditions are met.
- Other provisions applicable to ordinary DRAs (eg independent expert report, automatic stay, control of the debtor's asset) remain unaltered.

<b>LOCAL NAME</b>	Piano di Risanamento
-------------------	----------------------

<b>ENGLISH TRANSLATION</b>	Rescue plan
----------------------------	-------------

**KEY FEATURES**

- An out-of-court procedure where a debtor in financial difficulty drafts a rescue plan aimed at restructuring its debts and rebalancing its financial position.
- The debtor does not need to be insolvent in order to commence this procedure. Pre-emptive approval by the court is not required for the rescue plan to be effective, although an independent expert's opinion must assess the feasibility and the truthfulness of the underlying debtor's data.
- The debtor remains in control of its assets during the execution of the plan, and certain transactions completed during the same period are exempted from claw-back actions in case of bankruptcy.
- No stay affects secured creditors' enforcement actions.

<b>LOCAL NAME</b>	Convenzione di moratoria dei pagamenti
-------------------	--

<b>ENGLISH TRANSLATION</b>	Standstill agreement
----------------------------	----------------------

**KEY FEATURES**

- An out-of-court procedure aimed at temporarily regulating the debtor's financial difficulties by reaching an agreement with its creditors creating a moratorium for the outstanding financial claims.
- Financial creditors may be split into classes and if the agreement is approved by creditors holding at least 75% of the outstanding financial indebtedness relating to a single class, it will extend its effects to the remaining dissenting creditors of the same class.
- The debtor remains in control of its assets when the agreement is effective.
- A contractual stay prevents any secured creditors from bringing an enforcement claim while the moratorium applies.

<b>LOCAL NAME</b>	Amministrazione Straordinaria ("Prodi-bis")
-------------------	---

<b>ENGLISH TRANSLATION</b>	Extraordinary administration (also "Prodi-bis proceeding")
----------------------------	--

**KEY FEATURES**

- An administrative procedure commenced by court order with subsequent involvement of the government.
- Can be initiated as an alternative to bankruptcy proceedings as long as there is a realistic prospect of rescuing the business and achieving the proposed restructuring.
- Available to insolvent debtors with at least 200 employees and liabilities exceeding two thirds of total assets and total turnover.
- Upon declaration of the debtor's insolvency, the court assesses the likelihood of a positive outcome from restructuring the business. The court may then appoint a commissioner to run the business in lieu of the debtor or allow the debtor's management to remain in control.
- An automatic stay applies throughout the process which prevents any creditor from commencing or continuing an

<p>enforcement action against the debtor.</p> <ul style="list-style-type: none"> <li>The commissioner prepares a liquidation or restructuring plan which must be approved by the relevant government department. The creditors do not participate or vote on the plan unless it contains a proposal to close the administration by a settlement with creditors.</li> </ul>	
<b>LOCAL NAME</b>	Amministrazione Straordinaria delle grandi imprese insolventi ("Marzano")
<b>ENGLISH TRANSLATION</b>	Extraordinary administration of large enterprises (also "Marzano proceeding")
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>An administrative procedure which is commenced by court order with subsequent involvement from the government.</li> <li>The procedure is available to insolvent debtors with at least 500 employees and liabilities amounting to (at least) €300 million.</li> <li>The debtor initiates the proceedings by applying to the Ministry of Economic Development (MED) for extraordinary administration. The debtor may simultaneously file an application for the declaration of its insolvency.</li> <li>The extraordinary commissioner runs the business in lieu of its management.</li> <li>The commissioner can propose a compromise agreement with creditors approval (by means of simple majority).</li> <li>An automatic stay of proceedings is in place throughout the extraordinary administration. The stay prevents secured creditors from bringing any enforcement actions.</li> </ul>	
<b>LOCAL NAME</b>	Fallimento
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A terminal proceeding.</li> <li>Following a declaration that the company is insolvent, the Court appoints a supervising judge and bankruptcy receiver to manage the company and liquidate its assets to distribute the relevant proceeds to creditors in accordance with their legal ranking.</li> <li>An automatic moratorium arises upon declaration of bankruptcy: all enforcement actions (including those brought by secured creditors) are stayed, other than those relating to fondiario loans and pledges over shares granted in accordance with the financial collateral directive.</li> </ul>	
<b>LOCAL NAME</b>	Liquidazione coatta amministrativa
<b>ENGLISH TRANSLATION</b>	Mandatory administrative liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A court-supervised insolvency procedure reserved for banks and financial institutions, aimed at liquidating the entirety of their assets which can be initiated at the request of the bank's management, shareholders, judicial receivers or liquidators.</li> <li>The Ministry of Economy and Finance can initiate such a procedure (i) if the bank or financial institution is "failing or likely to fail" (ie in case of insolvency or financial distress); and (ii) if the situation in (i) cannot be resolved in due time by alternative measures, including the involvement of one or more private entities, Government support or supervisory procedures.</li> <li>The failing entity's assets are under the control of one or more commissionaires appointed to manage both the bank's ordinary business and the asset disposal.</li> <li>An automatic stay affects creditors' interim relief and enforcement action against the corporate assets, unless the securities have been granted in accordance with the EU financial collateral directive.</li> </ul>	

<b>LOCAL NAME</b>	Composizione della crisi da sovraindebitamento (e "piano del consumatore")
<b>ENGLISH TRANSLATION</b>	Composition for over-indebtedness
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An out-of-court procedure available to over-indebted individuals ("sovraindebitamento", including insolvent debtors) who cannot declare bankruptcy (because they do not satisfy the requirements and thresholds set forth in the Italian Bankruptcy Law).</li> <li>• A simplified version of this procedure is also available to natural persons ("piano del consumatore").</li> <li>• The debtor submits to court a proposal to creditors for the restructuring of debts and satisfaction of creditor claims, in whole or in part, through different methods (rescheduling plans, issue of new securities, liquidation of specific assets).</li> <li>• The proposal can provide for secured creditors not to be repaid in full, provided they receive no less than they would receive in a liquidation scenario.</li> <li>• The decree establishes a stay preventing all creditors, whose claims originated before the proposal, from commencing enforcement action, from obtaining a seizure or pre-emption rights over the debtor's assets.</li> <li>• The proposal needs to be approved by creditors representing at least 60% of the aggregate outstanding debt. Secured creditors due, under the proposal, to be repaid in full will not count towards the 60% threshold. Where creditors are divided into classes, the proposal must be approved by the majority of the classes.</li> <li>• For the proposal to be effective, a validation by the court is also required. Pending the validation, the debtor remains in control of its assets in order to continue trading.</li> <li>• An additional stay applies to claims originating after validation of the proposal.</li> </ul>	
<b>LOCAL NAME</b>	Liquidazione del patrimonio
<b>ENGLISH TRANSLATION</b>	Liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An alternative to the "piano del consumatore" procedure where the debtor may apply to the court to seek the liquidation of all his assets (other than certain specific claims and receivables expressly identified by law), and providing a list of all his assets.</li> <li>• The proceedings are opened with a decree and the court: (i) appoints a liquidator whose role is to prepare a statement of liabilities, manage and liquidate the debtor's assets, and distribute the relevant proceeds to creditors in accordance with their legal ranking (the "plan"); and (ii) establishes a stay preventing all creditors whose claims originated before the plan from commencing enforcement action, seizing or exercising pre-emptive rights over the debtor's assets.</li> <li>• On completion of the liquidation procedure: (i) an additional stay applies with regards to creditors whose claims originated after the validation of the plan; and (ii) the court orders the cancellation of mortgages and liens over the debtor's assets.</li> </ul>	
<b>LOCAL NAME</b>	Pegno/Ipoteca
<b>ENGLISH TRANSLATION</b>	Pledge/Mortgage
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The security package of Italian-law-governed financing customarily includes: (i) mortgages ("ipoteca") over immovable properties (such as land plots and buildings); (ii) pledges ("pegno") over shares (in case of a "società per azioni") or quotas (in case of a "società a responsabilità limitata") and bank accounts; and (iii) an assignment of receivables by way of security with respect to rents and other payments due to the debtor (e.g. indemnities from insurance policies).</li> <li>• Among the loans secured by means of a mortgage, are the so-called "fondiario loans", which are forms of</li> </ul>	

medium/long-term financing provided by banks and secured by a first-ranking mortgage over the financed property. They differ from the so-called "ipotecario loans", which have greater flexibility in structuring the terms of an event of default.

- Enforcement steps for a mortgage include the following:
  - Obtain an enforcement order ("titolo esecutivo") against the debtor;
  - Notify the debtor of the enforcement order ("atto di precetto") (not required for fondiario loans to the extent that it has been duly notarised);
  - Notify the debtor of foreclosure ("atto di pignoramento");
  - Issue a sale order and schedule the hearing for the sale (on the basis of the evaluation of the court-appointed expert); and
  - Sell the assets (secured creditors may credit bid and repossess the asset).
- In relation to fondiario loans, there are several advantages for the lender in an enforcement scenario, including the possibility of commencing or continuing enforcement proceedings even after the debtor is declared insolvent, or when an insolvency procedure has been commenced in respect of the debtor.
- According to the Financial Collateral Directive, the enforcement steps relating to a pledge over shares can include:
  - sale of the financial collateral (i.e. the pledged shares); or
  - seizure of the pledged shares up to the value of the secured obligations (to the extent that the deed of pledge expressly reserves such rights and sets out the criteria for evaluating the financial collateral), even if the debtor is undergoing insolvency proceedings (e.g. concordato preventivo) or liquidation proceedings (e.g. bankruptcy).

**Anticipated changes in the next two years**

A new full reform of the Italian bankruptcy law is expected in the next 12-24 months. The Italian parliament has recently delegated the Italian government to approve a new organic reform.

In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.



**LATVIA**

<b>LOCAL NAME</b>	Tiesiskās aizsardzības process
<b>ENGLISH TRANSLATION</b>	Legal protection proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Proceedings aimed at returning a debtor to solvency, in circumstances where it is already or expects to be in financial difficulties.</li> <li>• The proceedings are initiated by the court at the debtor's request. Once initiated, the majority of creditors (two thirds in value of secured creditors and a majority in value of unsecured creditors) appoint a person to supervise the proceedings (whose appointment will ultimately be approved by the court).</li> <li>• After initiation, enforcement of judgments against the debtor is suspended; certain penalties and late payment interest cease to accrue; all creditors are prohibited from initiating insolvency proceedings and secured creditors are prevented from requesting the sale of pledged property.</li> <li>• Within 2 months of initiation, the debtor must draw up a plan to overcome its financial difficulties (the legal protection proceedings plan) and obtain approval of the plan from the majority of its creditors.</li> <li>• If the plan is not approved, the court terminates the proceedings and the protection of the debtor is revoked.</li> <li>• If approved, the plan becomes binding on all creditors, including those who voted against it. The plan must be implemented within 2 years, though implementation can be extended for a further period of 2 years with the agreement of the majority of the debtor's creditors.</li> <li>• During implementation of the plan, the debtor is prohibited from performing any activities that may harm the interests of creditors (unless otherwise stipulated in the approved plan) and is obliged to devote all profits towards implementation of the plan.</li> <li>• If the debtor fails to implement the plan, the court terminates the proceedings and opens insolvency proceedings in respect of the debtor.</li> <li>• Legal protection proceedings apply to companies, registered partnerships and natural persons who are registered as individual merchants but are not applicable to unregistered partnerships or ordinary natural persons.</li> </ul>	
<b>LOCAL NAME</b>	Tiesiskās aizsardzības process
<b>ENGLISH TRANSLATION</b>	Out-of-court legal protection proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Latvian law distinguishes between legal protection proceedings (see further the section entitled: "Tiesiskās aizsardzības process / Legal protection proceedings") and out-of-court legal protection proceedings. However, the only material difference is that in out-of-court proceedings, the debtor in financial difficulties agrees the legal protection proceedings plan and the identity of the supervisor with the majority of creditors in advance, prior to making a request to the court to initiate proceedings.</li> <li>• The court then merely approves the proposed plan and the elected supervisor.</li> <li>• The plan can then be implemented in accordance with the same rules which apply to legal protection proceedings.</li> </ul>	
<b>LOCAL NAME</b>	Juridiskas personas maksātnespējas process
<b>ENGLISH TRANSLATION</b>	Insolvency proceedings of a legal person
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure to repay as much as possible of creditor claims from realisations of the debtor's assets.</li> <li>• Insolvency proceedings are initiated by the court in two stages. First, when the court receives an insolvency application, a court case is opened; however, at this stage, the legal status of the debtor remains unchanged. It is only after the application is considered and the court finds that one of several insolvency criteria is satisfied, that the</li> </ul>	

court declares insolvency proceedings in respect of the debtor.

- An application can be made by the debtor or a creditor, the latter in various circumstances including a failure to pay a principal debt exceeding €268 (if the debtor is an LLC or JSC) or €134 (if the debtor is an entity other than an LLC or JSC) or where the debtor has failed to perform its obligations for more than 2 months. The court is entitled to declare insolvency proceedings of its own volition if a debtor has failed properly to implement a legal protection proceedings plan.
- Once insolvency proceedings are declared, the court appoints an insolvency administrator to take over the management of the debtor, realise its assets, investigate transactions and pay creditor claims.
- Secured creditors are prohibited from requesting the sale of pledged assets during the two month period following the declaration of insolvency proceedings.
- Creditors must submit their claims to the insolvency administrator within 1 month after insolvency proceedings are declared. If that deadline is missed, they must do so within 6 months of the declaration (although creditors submitting claims in this period will have no voting rights). After 6 months, the creditor's claim against the debtor is lost.
- Creditors receive regular updates and can object to and appeal certain of the administrator's proposals and decisions.
- Once as much as possible has been paid to creditors, the insolvency administrator asks the Register of Enterprises to remove the debtor company from the register. However, if the majority of creditors agree, and subject to certain criteria, insolvency proceedings may be transitioned to legal protection proceedings (see further the section entitled: "Pāreja no juridiskās personas maksātnespējas procesa uz tiesiskās aizsardzības procesu / Transition from insolvency proceedings of a legal person to legal protection proceedings").
- Insolvency proceedings apply to registered partnerships and natural persons who are registered as individual merchants as they do to companies; however they are not applicable to unregistered partnerships or ordinary natural persons.

<b>LOCAL NAME</b>	Pāreja no juridiskās personas maksātnespējas procesa uz tiesiskās aizsardzības procesu
<b>ENGLISH TRANSLATION</b>	Transition from insolvency proceedings of a legal person to legal protection proceedings

<b>KEY FEATURES</b>
<ul style="list-style-type: none"> <li>• Latvian law permits insolvency proceedings to be transitioned to legal protection proceedings provided that the majority of creditors agree on a legal protection proceedings plan and the law sets out no specific prohibition against the transition (generally, where the debtor has previously failed to adhere to a legal protection proceedings plan).</li> <li>• Once the court has decided to implement the new legal protection proceedings plan, insolvency proceedings are terminated and the debtor regains management and control of its business and property.</li> </ul>

<b>LOCAL NAME</b>	Fiziskas personas maksātnespējas process
<b>ENGLISH TRANSLATION</b>	Insolvency proceedings of a natural person

<b>KEY FEATURES</b>
<ul style="list-style-type: none"> <li>• Aimed at satisfying creditor claims as much as possible from the debtor's property and provide a natural person whose property and income are insufficient to cover all obligations, to be released from those obligations and restored to solvency.</li> <li>• With some exceptions, generally, the rules which apply to insolvency proceedings of legal persons also apply to insolvency proceedings of natural persons.</li> <li>• Initiated by a debtor who has been a tax-payer in Latvia for the previous 6 months and who is not able to settle current debts of more than €5,000 or debts payable within a year of more than €10,000.</li> <li>• The proceedings comprise a two-part process: a bankruptcy procedure and a debt release procedure.</li> <li>• The bankruptcy procedure is initiated when insolvency proceedings in respect of the natural person are declared whereupon an insolvency administrator is appointed, the debtor loses the right to deal with his property, hands it</li> </ul>

over to the administrator except for a third of his income and property required to generate income.

- In consultation with creditors, the debtor prepares a plan to settle his obligations.
- The bankruptcy procedure is completed by the recovery and sale of the debtor's property, with realisations being used to pay as much as possible of creditors' claims.
- It is then followed by a debt releasing procedure where the debtor provides the court with a plan to settle the balance of creditors' claims. If he cannot fulfil his obligations pursuant to the plan during the time period initially proposed (which cannot exceed 1.5 years), the debt releasing procedure may be extended for up to 3 years, depending on the total amount of the person's debt.
- Once the debtor has fulfilled his obligations under the plan, he is released from remaining debts with some exceptions (including compensation in criminal proceedings). If he fails to meet his obligations under the plan, the court can terminate the insolvency proceedings without releasing the natural person from his debts.

<b>LOCAL NAME</b>	Hipotēka Komerčķīla
<b>ENGLISH TRANSLATION</b>	Mortgage Commercial Pledge

**KEY FEATURES**

- In legal protection proceedings, insolvency proceedings and insolvency proceedings of a natural person, a secured creditor is a creditor whose claim is secured by either a commercial pledge or a mortgage.
- The proceeds of sale of the pledged or mortgaged asset are devoted to settling the relevant secured creditor's claim (in addition to any auction costs, certain other administrative costs, and the remuneration of the insolvency administrator).
- Secured creditors are treated differently and separately to unsecured creditors in respect of voting and claims.
- Secured creditors are not entitled to request the initiation of insolvency proceedings of legal person.
- During legal protection proceedings, a secured creditor is prohibited from requesting the sale of the pledged asset altogether; however, during insolvency proceedings, the secured creditor is prohibited from requesting such a sale only during the two month period following the declaration of insolvency proceedings.

<b>Anticipated changes in the next two years</b>	<p>A draft law, which amends a number of issues with Latvian insolvency law, has been submitted to the Saeima (Parliament of Latvia) for consideration. The proposed amendments include: making procedures for the recognition of creditors' claims and appeals of administrators' decisions more effective; increasing the levels of penalty imposed for failing to submit an insolvency application and for breaches of legal protection proceedings or insolvency proceedings; clarifying the amounts payable by natural persons to creditors during the debt releasing procedure; and clarifying the administrative procedures during insolvency proceedings. If supported by Saeima, the amended law may come into effect before the end of 2018.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of</p>
--	---

its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

**LITHUANIA**

<b>LOCAL NAME</b>	Įmonės restruktūrizavimo byla
<b>ENGLISH TRANSLATION</b>	Company restructuring proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Aimed at allowing companies in financial difficulty to continue to trade, settle their debts and avoid insolvency.</li> <li>• Prerequisites: the company has (or might, within the next three months, have) financial difficulties; it has not discontinued its activities; it is not in bankruptcy; it has been in existence for at least three years prior to filing for restructuring proceedings; and at least five years have passed since any previous restructuring process was completed or terminated.</li> <li>• The company prepares a restructuring plan and puts it to a vote of its shareholders. If approved, the decision to initiate restructuring proceedings is made. An administrator is nominated by a vote requiring a two-thirds majority of shareholders and creditors are informed of the decision.</li> <li>• The company then files a petition for restructuring proceedings with the court.</li> <li>• Once a court order opening restructuring proceedings takes effect, the company is prohibited from making any payments to discharge pre-opening obligations.</li> <li>• The company's management remains in control of the company, subject to the supervision of the restructuring administrator.</li> <li>• Creditors must submit claims to the administrator within a 30-45 day period prescribed by the court order. The administrator reviews the claims and forwards a list to the court for approval. Creditors whose claims are approved by the court are entitled to vote in the restructuring proceedings.</li> <li>• The restructuring plan sets out the company's proposals to settle its debts and restore its financial health. It must be presented to the court for approval within six months following the opening of proceedings (extendable by up to one month). A failure to present a plan to the court within the requisite timescale, results in the restructuring proceedings being terminated.</li> <li>• The administrator evaluates the plan and the possibility of its implementation, and sets a date for a creditors' meeting to consider it. The plan is approved if two thirds in value of creditors vote in favour of it. Votes of both secured creditors and other creditors are of equal value. If approved, the plan applies to all creditors even those who did not vote in favour of it.</li> <li>• Secured creditors' claims are settled, in priority, from the proceeds of sale of pledged or mortgaged assets.</li> <li>• Restructuring proceedings cannot continue for more than four year (although can be extended by the court, for an additional year).</li> <li>• Once the plan has been implemented, the company's management and restructuring administrator jointly prepare a statement for the court's approval. The court approves the statement and closes the proceedings.</li> <li>• Restructuring proceedings may be terminated: if the restructuring plan is not submitted within the requisite time frame; if all creditors waive their claims and the court approves those waivers; if the company satisfies all creditors' claims prior to the deadline set out in the restructuring plan; if the administrator or the meeting of creditors submit evidence of a failure on the part of the company to implement, or properly implement, the restructuring plan; or if, upon the expiry of the deadline for implementation of the plan, a statement on its implementation has not been submitted.</li> <li>• Restructuring proceedings apply to all legal persons except for budgetary institutions, political parties, trade unions, religious communities and associations, credit institutions, payment institutions, electronic money institutions, insurance and reinsurance companies, management companies, investment companies and intermediaries of public trading in securities.</li> </ul>	
<b>LOCAL NAME</b>	Įmonės bankroto byla
<b>ENGLISH TRANSLATION</b>	Company bankruptcy proceedings

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Court-driven terminal proceedings aimed at satisfying creditors' claims from the company's assets.</li> <li>• A petition for the bankruptcy of a company can be filed by a creditor / creditors, the company's managing director or its shareholders. The court is obliged to rule on the petition not more than one month after it has been filed (extendable once, by one month).</li> <li>• Once the petition is accepted by the court, an automatic moratorium arises and any realisation of company assets is suspended.</li> <li>• If the court finds the company to be insolvent and unable to fulfil its current and future obligations, it will initiate bankruptcy proceedings and appoint a bankruptcy administrator whereupon the powers of the directors and other managing bodies of the company cease and the bankruptcy administrator assumes control of the company.</li> <li>• All enforcement actions, as well as the accrual of interest, are suspended once the court ruling takes effect. In addition, all contracts and agreements (except for employment contracts and any contracts from which any rights of claim on the part of the company arise) are deemed to have expired; unless, within 30 days following the date on which the court order took effect, the administrator notifies otherwise.</li> <li>• Creditors are required to submit claims to the administrator within a period of up to 45 days, as prescribed by the court order initiating the bankruptcy proceedings. The administrator reviews creditors' claims and forwards a list to the court for approval. Only those creditors whose claims are approved by the court are entitled to vote at the meeting of creditors.</li> <li>• Bankruptcy proceedings may be terminated if: all creditors waive their claims and the court approves those waivers; the company satisfies all creditor claims; or a settlement is concluded with creditors, which is approved by the court.</li> <li>• If within 3 months following the court approving the list of creditors, a settlement with creditors is not submitted to the court, the court declares the company to be bankrupt and in liquidation, with the duties of a liquidator being performed by the bankruptcy administrator.</li> <li>• Secured creditor claims are settled, in priority, from the proceeds of sale of pledged assets.</li> <li>• Following submission to the court of a final receipts and payments account, the court rules on the termination of the existence of the company, it is removed from the register and ceases to exist.</li> <li>• Bankruptcy proceedings apply to all legal persons except for budgetary institutions, political parties, trade unions, religious communities and associations.</li> </ul>	
<b>LOCAL NAME</b>	Įmonės bankroto procesas ne teismo tvarka
<b>ENGLISH TRANSLATION</b>	Company bankruptcy proceedings out of court
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Out-of-court company bankruptcy proceedings are terminal, aimed at satisfying creditors' claims from the company's assets, without involving the court.</li> <li>• The regulation of such proceedings is very similar to judicial bankruptcy proceedings (see further the section entitled: "Įmonės bankroto byla / Company bankruptcy proceedings"), with the difference that in out-of-court proceedings, all decisions which are made by the court, are made by a meeting of creditors. There are some additional prerequisites: there cannot be any judicial disputes against the company; or any active debt recovery or enforcement proceedings.</li> <li>• A company's managing director or its shareholders are entitled to call a creditors' meeting to consider a written proposal for an out-of-court bankruptcy which will specify the identity of the proposed bankruptcy administrator.</li> <li>• The proposal requires the approval of a majority of 75% (in value) of creditors and if approved, the out-of-court bankruptcy commences.</li> <li>• Out-of-court bankruptcy proceedings are becoming more popular, in light of the ability of creditors to appoint the bankruptcy administrator of their choice.</li> </ul>	
<b>LOCAL NAME</b>	Fizinio asmens bankroto procesas

<b>ENGLISH TRANSLATION</b>	Natural person bankruptcy process
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure, carried out by the court, aimed at providing a fresh start for private individuals.</li> <li>• It can only be initiated by natural persons who are unable to fulfil financial obligations which cumulatively total a sum in excess of 25 times the Government-set minimum monthly wage.</li> <li>• The court sets a deadline for creditors to submit claims to a bankruptcy administrator.</li> <li>• The individual must provide the bankruptcy administrator with a draft plan including reasons for his insolvency; anticipated income and amounts required for basic needs, provisions for the sale of assets; and the amounts to be paid to each creditor on (at least) a semi-annual basis throughout the duration of the bankruptcy proceedings.</li> <li>• If a meeting of creditors approves the plan, the bankruptcy administrator submits it to court for approval. The maximum period for implementation of the plan is up to 3 years. Assets are sold by the bankruptcy administrator in the order, and within time frames, set out in the plan. The initial sale price of the assets is approved by the meeting of creditors. Immovable property is sold at auction.</li> <li>• During the course of the bankruptcy proceedings, it is possible for an agreement to be concluded between the individual and any collateral holder in relation to the maintenance of the mortgaged (pledged) property. The court is required to consider whether the agreement violates the rights of any other creditors. If the court approves the agreement, the mortgaged (pledged) property will not be sold as part of the process. A secured creditor can request the sale of mortgaged (pledged) assets and satisfaction of its claim (in priority) out of the proceeds of sale.</li> </ul>	
<b>LOCAL NAME</b>	<p>Sutartinė hipoteka</p> <p>Sutartinis įkeitimas</p> <p>Priverstinis įkeitimas / hipoteka</p> <p>Įkeitimas / hipoteka perduodant įkeistą turtą kreditoriui</p>
<b>ENGLISH TRANSLATION</b>	<p>Contractual mortgage</p> <p>Contractual Pledge</p> <p>Statutory mortgage / pledge</p> <p>Possessory Pledge</p>
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Creditors may take security over property by way of contractual mortgage (over real estate objects), contractual or possessory pledge (over all other types of property), or statutory mortgage and/or pledge, which will grant the creditor priority against unsecured creditors in any bankruptcy or restructuring proceedings.</li> <li>• If the debtor has been declared bankrupt or is the subject of restructuring, the property encumbered with a mortgage or pledge can be sold by the bankruptcy trustee (administrator).</li> <li>• Secured debts have priority and will be paid from the proceeds of sale of the mortgaged or pledged assets.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>There are proposals for a new, single insolvency procedure to cover matters relating to the restructuring and bankruptcy of legal persons. The proposals include unification of the professions of bankruptcy and restructuring administrators; implementation of self-governance and control of administrators; and implementation of procedures to make insolvency processes more efficient, faster and more orientated towards securing the interests of creditors.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception</p>

of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

**LUXEMBOURG**

<b>LOCAL NAME</b>	Gestion contrôlée
<b>ENGLISH TRANSLATION</b>	Controlled management
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A financially distressed company or partnership (but not its creditors) may apply for controlled management in order to: (i) reorganise and restructure its debts and business; and (ii) realise its assets in the best interest of its creditors.</li> <li>• The debtor's management is placed under the control of one or more commissioners appointed by the court, who is in charge of preparing a reorganisation or liquidation plan.</li> <li>• The plan must be approved by more than 50% of creditors representing more than 50% in value of the debtor's debts, and must also be approved by the court.</li> <li>• If the plan is approved, it binds all creditors who may not enforce guarantees or security interests (with exceptions for financial collateral arrangements and similar foreign law security interests)</li> <li>• During the process the company cannot sell assets, grant security or enter into contracts without the court's permission.</li> <li>• In practice, only a few applications for controlled management have been granted and most, once opened, are converted into bankruptcy.</li> <li>• Once the procedure is completed, the debtor's normal operations are resumed.</li> </ul>	
<b>LOCAL NAME</b>	Concordat préventif de faillite
<b>ENGLISH TRANSLATION</b>	Composition with creditors
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure which allows a company or partnership in financial difficulty to enter into an agreement with its creditors in order to avoid bankruptcy. Only the debtor may submit the request to the court.</li> <li>• The request is approved only if the judge assesses that the debtor is honest but unfortunate; any failure to act in good faith leads to bankruptcy.</li> <li>• The judge appoints a delegate judge (juge délégué) to draft a proposed scheme of composition which must be approved by creditors representing 75% in value of the debtor's outstanding debt and also by the court.</li> <li>• Throughout the procedure, the debtor may not dispose of, or mortgage, any assets or enter into any commitments without the prior authorisation of the delegate judge.</li> <li>• If the plan is approved, creditors may not enforce guarantees or security interests (with exceptions for financial collateral arrangements and similar foreign law security interests)</li> <li>• The procedure is rarely used in practice.</li> </ul>	
<b>LOCAL NAME</b>	Sursis de paiement
<b>ENGLISH TRANSLATION</b>	Suspension of payments
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure for companies or partnerships that face temporary liquidity issues to apply for a suspension of payments to creditors, for a given period of time. The procedure can only be initiated by the debtor.</li> <li>• Throughout the procedure, provided the debtor pays accruing interest, creditors secured against real estate and assets necessary to carry out the debtor's business may not enforce their security and the court's permission is required to dispose of, pledge or mortgage movable or immovable assets, compromise, borrow or receive any sum, make any payment or carry out any administrative act.</li> <li>• This procedure is rarely used in practice.</li> </ul>	

<b>LOCAL NAME</b>	Faillite
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A Luxembourg company or partnership is bankrupt when: (i) it has ceased paying its debts (ie cessation of payments); and (ii) it is unable to obtain credit from third parties or affiliated undertakings.</li> <li>• If the court considers that these two criteria are met, it will declare the company or partnership bankrupt, open bankruptcy proceedings and appoint a bankruptcy receiver (curateur).</li> <li>• A debtor can be declared bankrupt following: (i) a declaration by the company's directors or partners; (ii) a request by a creditor; or (iii) on the courts own motion.</li> <li>• The directors or partners are legally required, within one month of the date of cessation of payments, to declare the same at the competent court. Failure to do so constitutes a criminal offence.</li> <li>• Once bankruptcy proceedings are opened, the company or partnership is prevented from administering its assets. All payments and transactions by the company after that date are null and void.</li> <li>• The aim of the proceedings is to wind up the entity's assets in the best interests of the bankruptcy estate.</li> <li>• Secured creditors are not prevented from taking enforcement action during the bankruptcy proceedings.</li> </ul>	
<b>LOCAL NAME</b>	Liquidation judiciaire
<b>ENGLISH TRANSLATION</b>	Compulsory liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Compulsory liquidation may be requested by the public prosecutor in order to liquidate a company that: (i) engages in activities which contravene criminal law; (ii) contravene the provisions of the commercial code, the laws of commercial companies, or the provisions governing the business licence in Luxembourg.</li> <li>• The court assesses whether the offences are deemed sufficiently serious to justify the dissolution/liquidation, regardless of the financial situation of the company.</li> <li>• Security interests may still be enforced.</li> </ul>	
<b>LOCAL NAME</b>	Régime spécial de liquidation du notariat
<b>ENGLISH TRANSLATION</b>	Special liquidation regime for notaries
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• This procedure is only applicable to the liquidation of notaries.</li> </ul>	
<b>LOCAL NAME</b>	Surendettement des particuliers
<b>ENGLISH TRANSLATION</b>	Over-indebtedness of natural persons
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure for natural persons providing for the collective settlement of their debts.</li> <li>• It applies to a debtor domiciled in Luxembourg which is manifestly not able to meet all non-professional debts which are due and payable.</li> <li>• The procedure comprises three phases: <ul style="list-style-type: none"> <li>(i) a phase which takes place before the Luxembourg Commission of Mediation;</li> <li>(ii) a phase of judicial compromise (redressement judiciaire) which takes place before the court; and</li> <li>(iii) a phase of personal recovery, so-called "civil bankruptcy".</li> </ul> </li> <li>• For phases (i) and (ii) the judge drafts a financial recovery plan which may lead to (i) suspension of payments of all</li> </ul>	

<p>or part of the debts and (ii) reduction of interest rates.</p> <ul style="list-style-type: none"> <li>• The third phase can only be initiated when the over-indebted debtor is in an irremediably compromised position. The judge decides on disputed claims and pronounces the liquidation of the debtor's estate.</li> <li>• Creditors' rights (including those of secured creditors) may be suspended by the judge during the procedure.</li> </ul>	
<b>LOCAL NAME</b>	La réalisation des sûretés régies par la loi sur les contrats de garantie financière
<b>ENGLISH TRANSLATION</b>	Enforcement of security interests governed by the Luxembourg law on financial collateral arrangements
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A distinction is drawn between security interests governed by the Luxembourg law on financial collateral arrangements (i.e. pledge over financial instruments, claims or bank accounts in order to secure financing obligations or obligations to deliver financial instruments) and mortgages.</li> <li>• Pledge: Pre-enforcement - Prior to enforcing a pledge, the exercise of rights attached to the pledged assets is governed by the pledge agreement. Pledge agreements generally provide that the pledgee may exercise the rights attached to the pledged assets upon the occurrence of an enforcement event (contractually agreed by the parties).</li> <li>• Pledge: Main enforcement mechanisms - If an enforcement event occurs, the pledgee may: <ul style="list-style-type: none"> <li>○ appropriate the pledged assets at a price determined, before or after the appropriation, pursuant to a valuation method agreed between the parties and set out in the pledge agreement ("<b>Appropriation</b>"). In addition, the pledgee may elect, at its sole discretion, to appoint another person to which the ownership of the pledged assets will be transferred in lieu of the pledgee;</li> <li>○ sell all or part of the pledged assets in a private transaction on arms' length terms (conditions commerciales normales) ("<b>Private Sale</b>");</li> <li>○ sell or cause the sale of any of the pledged assets on the Luxembourg Stock Exchange or any foreign stock exchange, or by public sale;</li> <li>○ request a Luxembourg court to be assigned title to the pledged assets for discharge of all or part of the secured obligations as determined by a court-appointed expert; or</li> <li>○ if the pledged assets are financial instruments, appropriate such financial instruments: <ul style="list-style-type: none"> <li>▪ at the stock exchange price, if such financial instruments are listed on a regulated market; or</li> <li>▪ at the price of the last published net asset value if the financial instruments are units or shares of an investment fund calculating and publishing an NAV on a regular basis.</li> </ul> </li> </ul> </li> <li>• Appropriation and Private Sale are the preferred and most commonly used enforcement methods.</li> <li>• Pledges over bank accounts and receivables are generally enforced by way of a request for payment to the bank account/debtors.</li> </ul>	
<b>LOCAL NAME</b>	La réalisation des hypothèques
<b>ENGLISH TRANSLATION</b>	Enforcement of Mortgages
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• In order to enforce a mortgage over real estate, the mortgagee must hold an "enforceable title" (titre exécutoire), generally delivered by the notary and the deed of mortgage must contain a clause authorising the sale (clause de voie parée), to be entitled to sell the property (by public auction).</li> <li>• If the mortgagee does not hold such a title, it must obtain a court payment order prior to enforcing the mortgage by way of an attachment (saisie immobilière).</li> <li>• With the enforceable title in hand, the mortgagee asks the notary to proceed to a public auction. The adjudication price will be the highest bid and the proceeds will be paid to the mortgagee (after payment of the notary's fees and any privileges mandatorily arising by law). Any surplus will be returned to the mortgagor.</li> </ul>	
<b>Anticipated changes in the</b>	A draft act amending and restating Luxembourg insolvency proceedings was presented

<p><b>next two years</b></p>	<p>to the Luxembourg Parliament on 1 February 2013 aimed at substantially modifying and modernising Luxembourg insolvency procedures.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li> </ul>
------------------------------	--

**MALTA**

<b>LOCAL NAME</b>	Arrangament Jew Kompromess Ma' Kredituri
<b>ENGLISH TRANSLATION</b>	Compromise or arrangement with creditors
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Can be proposed by a limited liability company, its members or its creditors and may be sanctioned by the court if approved by three-quarters in value of creditors present and voting on the proposed scheme.</li> <li>• There is no moratorium or stay at the initial approval stage.</li> <li>• Once approved by creditors and sanctioned by the court, the scheme is binding on all creditors.</li> <li>• The procedure is most commonly used when a company is in financial distress as a way of facilitating its financial recovery. However, a scheme of arrangement or compromise may also be proposed by a liquidator.</li> <li>• The scheme itself can propose a stay which will come into effect if the scheme is approved by the requisite majorities and sanctioned by the court.</li> <li>• This restructuring procedure does not apply to partnerships or individuals (solely to companies).</li> </ul>	
<b>LOCAL NAME</b>	Procedura biex kumpannija tirkupra
<b>ENGLISH TRANSLATION</b>	Court-monitored company recovery procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Where a company is unable to pay its debts or is imminently likely to become unable to pay its debts, a company recovery application may be made to the court (by the company, its directors or creditors representing more than half its total debts) to place the company into a “company rescue” regime and appoint a special controller to take over, manage and administer the business of the company.</li> <li>• The court may only accede to the application if: (a) it is satisfied that the company is, or is imminently likely to become, unable to pay its debts; and (b) it considers that the making of the order would be likely to achieve either the survival of the company as a viable going concern (in whole or in part), or the sanctioning of a compromise or arrangement between the company and any of its creditors or members.</li> <li>• If the court issues a company recovery order it will appoint a special controller for a period not exceeding 12 months (extendable by up to a further 12 months).</li> <li>• Following the application (unless dismissed by the court) and during the company recovery procedure a stay prevents action against the company or its assets including provision that no steps may be taken to enforce any security over property of the company or to repossess goods under any hire-purchase agreement except with the leave of the court.</li> <li>• Whilst the order is in force, the directors' powers are suspended and the special controller manages the company's activities, business and property.</li> <li>• The special controller must submit reports to the court and may ask the court to terminate the procedure if he feels that it serves no purpose or if he feels that the company can settle its debts and continue as a viable going concern.</li> <li>• At the end of the special controller's appointment, he must submit a final report to the court. If he thinks the company can continue as a viable going concern (in whole or in part), he must attach a detailed recovery plan which, if accepted by the court, binds all parties, including any dissenting creditors.</li> <li>• At the end of the procedure, the company is either wound-up or continues in existence, as determined by the court.</li> </ul>	
<b>LOCAL NAME</b>	Xoljiment
<b>ENGLISH TRANSLATION</b>	Dissolution
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Shareholders may resolve to dissolve and wind up a company either by means of court proceedings or voluntarily</li> </ul>	

<p>by passing an extraordinary resolution. They are not required to disclose the reasons for their decision.</p> <ul style="list-style-type: none"> <li>• A resolution to dissolve the company may be passed at any time, regardless of the solvency of the company.</li> <li>• A company may also be dissolved and wound up by means of a court order if the company's business has been suspended for an uninterrupted period of 24 months, or if it is unable to pay its debts. Alternatively, other reasons may be put to the court when petitioning for the company's dissolution and winding up; e.g. Where the internal organisation and structure of the company warrants such a dissolution.</li> </ul>	
<b>LOCAL NAME</b>	Hatra ta' amministratur provvizorju
<b>ENGLISH TRANSLATION</b>	Appointment of a provisional liquidator
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Not a stand-alone procedure: a court-appointed official may be appointed at any time following the filing of a winding-up application until such time as the court either makes a winding-up order or dismisses the winding-up application, with powers and functions relating to the administration of the estate or business of a company.</li> </ul>	
<b>LOCAL NAME</b>	Stralċ volontarju mill-membri jew mill-kredituri
<b>ENGLISH TRANSLATION</b>	Members or creditors voluntary winding up
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A Members winding up is a solvent procedure which requires the directors to make a declaration of solvency that the company will be able to pay its debts in full within a maximum of 12 months from the date of the resolution.</li> <li>• Creditors voluntary winding up is an insolvency procedure commenced by members' resolution, in which the creditors have the option of nominating a liquidator.</li> <li>• In a voluntary winding up, from the date of the resolution, the company ceases to carry on its business and a liquidator is appointed for the purposes of winding up the company's affairs and distributing its assets. All powers of the directors cease upon the appointment of a liquidator.</li> <li>• Title to the company's assets remains vested in the company.</li> <li>• A secured creditor has a right of preference over other creditors. A voluntary winding-up order does not give rise to an automatic stay on proceedings; however, the liquidator may apply to the court for such a stay.</li> </ul>	
<b>LOCAL NAME</b>	Stralċ mill-qorti
<b>ENGLISH TRANSLATION</b>	Winding up by the court
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A terminal process, typically commenced by an unpaid creditor, although it may also be commenced by the company, a shareholder, director, debenture-holder or a contributory.</li> <li>• The presentation of a winding-up petition (the rikors għal stralċ) alone does not give rise to an automatic stay of proceedings. However, at any time after the filing of the winding-up petition, but before the making of a winding-up order (ordni għal stralċ), it is possible for the company, or any creditor or contributory to apply to the court to request a stay of judicial proceedings pending against the company.</li> </ul>	
<b>LOCAL NAME</b>	Falliment f'każ ta' kummerċjant
<b>ENGLISH TRANSLATION</b>	Bankruptcy of a trader
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Partnerships en nom collectif (a partnership formed by 2 or more partners, which has its obligations guaranteed by the unlimited and joint and several liability of its partners) and en commandite (a partnership where the obligations are guaranteed by the unlimited and joint and several liability of its general partners, and by the limited liability of</li> </ul>	

its limited partners) may be rehabilitated in accordance with the provisions on bankruptcy of a trader under the commercial code. "Trader" refers to any person who, by profession, exercises acts of trade in his own name, and includes any commercial partnership.

- As a general rule, where a trader suspends payment of his debts, he is held to be in a state of bankruptcy. The trader makes a declaration which must be filed at court together with his commercial books and documents. A creditor may also apply to court for a judgment confirming the debtor's state of bankruptcy (stat ta' falliment).
- From the date of the trader's declaration, or delivery of the court's judgment, the bankrupt trader is dispossessed of the administration of his property. Debts which have not yet fallen due, become exigible upon the making of the declaration of bankruptcy.
- The court appoints curators to administer the bankrupt's estate. Perishable goods, must be sold by auction and non-perishable goods cannot be sold by the curators until a scheme of arrangement is agreed.
- A meeting of creditors takes place in the presence of a judge on a day and time to be fixed by the court. Every creditor is required to present an application for admission of its debt and produce any documents in support of its claim. The court will deliver a decree stating which debts have been admitted. If the decree is not challenged within 8 days following the publication of a notice in the government gazette, the decree is deemed to have been accepted.
- Creditors whose claims have been admitted are summoned to a further meeting before the judge. The bankrupt trader proposes the terms of a composition and creditors are given at least 8 days to consider the proposal. In order for the composition to be approved, a majority in number, and three-quarters in value of those creditors whose claims have been admitted must vote in favour of the proposal.
- Once approved, the composition is binding on all creditors, the trader is deemed to be rehabilitated, and once again, able to administer his property (subject to the terms of the composition).

<b>LOCAL NAME</b>	Xoljiment ta' soċjetajiet f' isem kollettiv u soċjeta in akkomandita
<b>ENGLISH TRANSLATION</b>	Dissolution of partnerships en nom collectif and en commandite

**KEY FEATURES**

- Partnerships en nom collectif (a partnership formed by 2 or more partners, which has its obligations guaranteed by the unlimited and joint and several liability of its partners) and en commandite (a partnership where the obligations are guaranteed by the unlimited and joint and several liability of its general partners, and by the limited liability of its limited partners) may be dissolved voluntarily by common accord of the partners, or by court order if the partnership is adjudged to be bankrupt or if, in the court's opinion, sufficient grounds exist to warrant its dissolution.

<b>LOCAL NAME</b>	Ipoteki talba ta' bejgh ta' immobli jew il-hwejjeg mobbli mgħobbija b'ipoteka
<b>ENGLISH TRANSLATION</b>	Hypothecs Demand sale of immovable or movable charged with hypothec

**KEY FEATURES**

- Essentially, a hypothec is a right over property for the security of a debt.
- Hypothecs can be sub-divided into 3 broad groups:
  - general hypothecs (which affect all the property, movable and immovable, corporeal and incorporeal, present and future, of the debtor);
  - special hypothecs (which affect one or more particular immovables); and
  - special hypothecs over movables (movables capable of being subject to a special hypothec must be expressly created by the minister responsible for justice).
- The ability to take enforcement action in respect of a debt requires the existence of an executive title, a list of which is set out in the code of organisation and civil procedure (chapter 12 of the laws of Malta).

- Once an executive title has been obtained (and however so obtained), lenders can apply for the charged assets to be sold by judicial auction:
  - In the case of movables, there must be a warrant of seizure before their judicial sale by auction.
  - If there is a special hypothec over immovable property and that property has been transferred to a third party, the third party in possession of the property must either: (i) surrender the property charged with the hypothec, without any reservation; or (ii) undertake to pay all the hypothec debts, as each of them falls due, regardless of their amount. If the third party possessor fails to surrender the immovable or to pay the debts as they fall due, the hypothec creditor can: (i) serve a protest on the debtor and third party possessor demanding payment of the debt, or surrender of the property; and (ii) demand a judicial sale of the property if the debt remains unpaid and the property has not been surrendered after 30 days from the date of the protest.

<b>LOCAL NAME</b>	Rahan ta' mobbli Bejgh ta' Rahan fl-irkant taht is-setgha tal-Qorti
<b>ENGLISH TRANSLATION</b>	Pledge of movables Enforcement of pledge by judicial sale and appropriation

**KEY FEATURES**

- A pledge is defined in the Maltese civil code as a 'contract created as a security for an obligation'. A pledge may be given either by the debtor himself or by a third party for the debtor (e.g. A surety). Ownership of the asset is not transferred by the creation of the pledge and is retained by the pledgor.
- The Maltese civil code draws a distinction between assets pledged which are: (i) movables (other than debts); and (ii) debts.
- In the case of movables, the pledgee may only realise the pledged movable by means of a judicial sale by auction. Any covenant allowing appropriation, or disposal in any other manner, is null and void.
- However, if the pledged property is a debt and the debt secured by the pledge is due, the creditor/pledgee is entitled to retain from any payments received in respect of the pledged debt an amount sufficient to satisfy its rights.
- Under the general rules of the civil code, the only situation in which the law permits appropriation is where the asset pledged is a debt, as the debt is already quantified and liquidated, and there is no risk that abuse will occur. Any surplus should be paid to the pledgor. This method of enforcement is subject to the sanction of the court.
- In the case of a pledge of shares, if the debtor defaults, the pledgee is entitled to enforce the pledge by either:
  - applying to the court for a judicial sale of the pledged shares; or
  - giving notice by judicial act to both the pledgor and the company that it wishes to dispose of the shares, or appropriate and acquire the shares for itself.

The pledgee can only sell or appropriate those shares needed to repay the debt. All other shares must be released to the pledgor.
- Enforcement in relation to pledged shares may also be sought in accordance with the provisions of the financial collateral regulations (s.l. 459.01) ("fc"), which provide for a more creditor-friendly approach to enforcement. Under the fc, enforcement must accord with the terms of the pledge agreement and may be effected by way of sale or appropriation of the shares or receivables, offsetting their value against, or applying their value in discharge of, the secured obligations.
- If the pledgor defaults on an agreement secured by a pledge of a bank account, then all rights over the account which are vested in the pledgor, are terminated and vest in the pledgee, who can then exercise all rights and remedies previously possessed by the pledgor. This includes, without limitation, applying any balance held in the account on the date of enforcement against the secured obligations. Under the fc, on the occurrence of a specified event, the pledgee can realise pledged cash or the contents of a pledged bank account by offsetting it against, or applying it in discharge of, the secured obligations.

<b>LOCAL NAME</b>	Garanzija
-------------------	-----------

<b>ENGLISH TRANSLATION</b>	Suretyship
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A form of “guarantee” given by a third party. A suretyship contracted for a principle obligation, in general terms, extends to all accessories of the debt.</li> <li>• In the case of a simple suretyship, the lender can only enforce its rights against the surety after attempting to enforce its rights against the principal debtor and finding that the estate of the principal debtor is insufficient to settle the debt. In the case of a joint and several suretyship (which is generally the default scenario in commercial transactions) the agreement usually entitles the lender to enforce its rights against the surety and the principal debtor at the same time, or to enforce against the surety without first enforcing its rights against the principal debtor.</li> <li>• A surety who has paid the debt is subrogated, by operation of law, to all the rights of the creditor against the principal debtor, and has a right of relief against the principal debtor (whether or not the suretyship was created with the consent or knowledge of the principal debtor).</li> </ul>	
<b>LOCAL NAME</b>	Pizijiet Jedd Biex Izomm F’idejh Il-Hwejjeg
<b>ENGLISH TRANSLATION</b>	Liens Right of retention
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A lien is a right which entitles a party to retain assets in his possession pending payment of a debt owed. Liens occur more commonly in commercial transactions, typically when goods are being supplied, repaired or transported.</li> <li>• The civil code sets out various rights of retention; for example, in relation to the law of mandate, the mandatory is entitled to the right of retention against his mandator as long as he is not paid what is due to him under the mandate.</li> </ul>	
<b>LOCAL NAME</b>	Fuq garanzija bi trasferiment ta’ titolu Infurzar tad-drittijiet
<b>ENGLISH TRANSLATION</b>	Security by title transfer Enforcement of rights
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Security by title transfer is a contract pursuant to which the debtor, or a third party for the debtor, transfers or assigns movable assets to a creditor to secure a present or future obligation.</li> <li>• In the event of a default, the creditor is, upon giving notice in writing to the debtor (and the transferor of property by way of security, if different) entitled to realise the property transferred by sale, or by setting off or netting its value, and applying the same in discharge of the secured obligations. Set-off or netting is only permitted if it has been expressly agreed to in the agreement between the parties. Where a creditor exercises his rights as aforesaid, he must exercise such rights in a commercially reasonable manner, will be bound by fiduciary obligations in that regard and will be bound to account to the debtor as to the value used for such enforcement.</li> </ul>	
<b>Anticipated changes in the next two years</b>	In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view

to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

**NETHERLANDS**

<b>LOCAL NAME</b>	Surseance van betaling
<b>ENGLISH TRANSLATION</b>	Suspension of payments
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-ordered procedure for companies and natural persons, commenced at the debtor's request when they anticipate that they will be unable to continue to pay debts as they fall due.</li> <li>• The debtor may choose to present a draft restructuring plan when it files for the suspension of payments order or at a later date.</li> <li>• The court grants a preliminary suspension of payments immediately after the request has been filed and approximately two months later, creditors will vote to decide whether the suspension of payments becomes permanent - for a maximum period of one and a half years, renewable at the end of each term.</li> <li>• The procedure is aimed at implementing a restructuring or reorganisation agreement with unsecured creditors. The court-selected and court-appointed administrator and the debtor (or its directors or partners respectively) must act collectively.</li> <li>• Secured creditors are generally not affected by these proceedings, and may continue to enforce their security over secured assets. However, a moratorium for a maximum period of four months may be declared, during which enforcement by a secured creditor is not permitted (unless the supervisory judge has authorised such enforcement).</li> <li>• Suspension of payments may be (immediately) converted into bankruptcy if the administrator determines that the debtor has insufficient means to continue its business and ultimately (partly via composition or wholly) to pay its creditors.</li> </ul>	
<b>LOCAL NAME</b>	Faillissement
<b>ENGLISH TRANSLATION</b>	Bankruptcy Liquidation Winding-up
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-ordered procedure for companies and natural persons which can be commenced at the request of the debtor or any of its creditors.</li> <li>• The court will make an order if it is satisfied that the debtor has ceased paying its debts. From the commencement of the bankruptcy (at 00.00 hr on the date of bankruptcy) directors of the debtor company are no longer entitled to: dispose of the debtor's assets, provide security over the debtor's assets, pay its creditors, or enter into any agreements. All such rights transfer to the court-selected and court-appointed trustee who then takes control of the entity.</li> <li>• The trustee has a wide range of powers including selling assets or continuing the debtor's business (if it is in creditors' interests to do so).</li> <li>• Secured creditors are generally not affected and may continue to enforce their security over secured assets. However, a moratorium for a maximum period of four months may be declared, during which enforcement by a secured creditor is not permitted (unless authorised by the supervisory judge). Furthermore, the trustee may set a reasonable deadline for enforcement by a secured creditor, after which the secured creditor's authority to enforce will lapse and the trustee is simultaneously authorised to claim the secured assets and sell them. Upon such sale by the trustee, the secured creditor will be entitled to the proceeds after deduction of the bankruptcy costs (which are usually substantial). This usually results in the secured creditor receiving a substantially smaller return (if at all) on its outstanding claim.</li> </ul>	
<b>LOCAL NAME</b>	Schuldsanering natuurlijke personen WSNP

<b>ENGLISH TRANSLATION</b>	Debt restructuring for natural persons
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-ordered procedure commenced at the request of a debtor who cannot pay his debts as they fall due.</li> <li>• Only the court-selected and court-appointed administrator is entitled to dispose of assets that belong to the restructuring estate.</li> <li>• The procedure is intended to provide a "clean slate", pursuant to which, claims which could not be paid out of available assets, are no longer enforceable.</li> <li>• Secured creditors are generally not affected, and may continue to enforce their security over secured assets.</li> <li>• However, a moratorium for a maximum period of four months may be declared, during which enforcement by a secured creditor is not permitted (unless authorised by the supervisory judge) Furthermore, the administrator may set a reasonable deadline for enforcement by a secured creditor, after which the secured creditor's authority to enforce will lapse.</li> </ul>	
<b>LOCAL NAME</b>	Executeren van een hypotheekrecht
<b>ENGLISH TRANSLATION</b>	Enforcing rights under a mortgage
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Appropriation is prohibited under Dutch law. Therefore, a secured creditor will need to enforce its rights as mortgagee by means of a sale of the collateral. The general rule is that collateral is sold at a public auction according to local customs and applicable standard terms and conditions.</li> <li>• It is possible for alternative procedures to be used such as a court-approved private sale. The court will usually allow the use of such an alternative procedure if the proceeds of the private sale are likely to be higher than if the collateral were sold at public auction.</li> </ul>	
<b>LOCAL NAME</b>	Executeren van een pandrecht op vorderingen
<b>ENGLISH TRANSLATION</b>	Enforcing rights under a pledge over receivables
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The most common way to enforce a right of pledge over receivables is by notifying the relevant contract debtor that the receivable has been pledged.</li> <li>• Following such notice, the contract debtor is obliged to pay the relevant pledged receivable to the secured creditor instead of the pledgor (ie the secured creditor can directly collect the relevant receivable). Alternatively, the receivables may be sold by the secured creditor to a third party by (i) public auction; (ii) a court-approved private sale; or (iii) a private sale with the consent of the pledgor.</li> </ul>	
<b>LOCAL NAME</b>	Executeren van een pandrecht op goederen
<b>ENGLISH TRANSLATION</b>	Enforcing rights under a pledge over assets
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Appropriation is prohibited under Dutch law. Therefore, a secured creditor will need to enforce its right of pledge by means of a sale of the secured assets. Such sale may be effected by means of <ul style="list-style-type: none"> <li>○ public auction;</li> <li>○ a court-approved private sale to either the secured creditor or a third party; or</li> <li>○ a private sale to a third party with the consent of the pledgor.</li> </ul> </li> <li>• Upon the request of the secured creditor, the court will usually order the use of such an alternative procedure if the</li> </ul>	

proceeds of the private sale are likely to be higher than if the collateral were sold at public auction.

**Anticipated changes in the next two years**

Among others, the introduction of a procedure to facilitate a binding composition, outside of bankruptcy, is pending.

In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

**POLAND**

<b>LOCAL NAME</b>	Postępowanie w przedmiocie zatwierdzenia układu
<b>ENGLISH TRANSLATION</b>	Proceedings for the approval of an arrangement

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An out-of-court process for a company that is insolvent or threatened by insolvency.</li> <li>• The debtor, whose disputed claims must not exceed 15% of total claims, appoints a qualified restructuring supervisor to assist in drawing up a restructuring plan/arrangement proposal.</li> <li>• The proposal is circulated to creditors and adopted if it is supported by at least 50% of creditors holding at least two-thirds of the total value of claims. If the thresholds are met, the debtor files a petition with the court for approval of the arrangement (which is the only element of court supervision).</li> <li>• On approval, enforcement proceedings concerning claims covered by the arrangement are suspended but creditors that fall outside of the arrangement are still able to enforce their rights.</li> <li>• Secured claims are not compromised by the arrangement and unless they agree to compromise their enforcement rights, may commence enforcement proceedings in respect of secured assets.</li> <li>• The company can continue to trade as a going concern during implementation of the procedure.</li> </ul>	

<b>LOCAL NAME</b>	Przyspieszone postępowanie układowe
<b>ENGLISH TRANSLATION</b>	Accelerated arrangement proceedings

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A process with greater court involvement than Postępowanie w przedmiocie zatwierdzenia układu / proceedings for the approval of an arrangement, available for an insolvent company or one threatened by insolvency whose disputed claims must not exceed 15% of total claims.</li> <li>• Typically, on opening proceedings, the court appoints a court supervisor whose consent is required for all actions outside the company's ordinary administration.</li> <li>• Voting on the debtor's proposal takes place at a court-convened creditors meeting after approval by the court of the creditors entitled to vote using a simplified procedure. The arrangement is adopted if it is supported by at least 50% of creditors holding at least two-thirds of the total value of voting claims.</li> <li>• On approval, enforcement proceedings concerning claims covered by the arrangement are suspended but creditors that fall outside of the arrangement are still able to enforce their rights.</li> <li>• Secured claims are not compromised by the arrangement and unless they agree to compromise their enforcement rights, may commence enforcement proceedings in respect of secured assets.</li> <li>• The company can continue to trade as a going concern during implementation of the procedure.</li> </ul>	

<b>LOCAL NAME</b>	Postępowanie układowe
<b>ENGLISH TRANSLATION</b>	Arrangement proceedings

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A process with greater court involvement than the approval of an arrangement process, available for an insolvent company or one threatened by insolvency which disputes more than 15% of total claims against it.</li> <li>• Typically, on opening the proceedings, the court appoints a court supervisor whose consent is required for all actions outside the company's ordinary administration.</li> <li>• Voting on the debtor's proposal takes place at a court-convened creditors' meeting after approval by the court of the creditors entitled to vote. The court considers the creditors in a more detailed procedure to that in accelerated arrangement proceedings and creditors are entitled to file objections.</li> <li>• The arrangement is adopted if it is supported by at least 50% of creditors holding at least two-thirds of the total value</li> </ul>	

<p>of voting claims.</p> <ul style="list-style-type: none"> <li>• On approval of the arrangement, enforcement proceedings concerning claims covered by the arrangement are suspended but creditors that fall outside of the arrangement are still able to enforce their rights.</li> <li>• Secured claims are not compromised by the arrangement and unless they agree to compromise their enforcement rights, may commence enforcement proceedings in respect of secured assets.</li> <li>• The company can continue to trade as a going concern during implementation of the procedure.</li> </ul>	
<b>LOCAL NAME</b>	Postępowanie sanacyjne
<b>ENGLISH TRANSLATION</b>	Rehabilitation proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A process commenced by a debtor or creditor's petition against an insolvent company or one threatened by insolvency. The procedure is most appropriate where the restructuring of debts is not sufficient and a thorough restructuring of the debtor's business is required.</li> <li>• Typically, on opening the proceedings, the court appoints an administrator to take over the business.</li> <li>• Voting on the debtor's proposal takes place at a court-convened creditors' meeting after approval by the court of the creditors entitled to vote. The court considers the creditors in a more detailed procedure to that in accelerated arrangement proceedings.</li> <li>• The arrangement is adopted if it is supported by at least 50% of creditors holding at least two-thirds of the total value of voting claims.</li> <li>• On the opening of the proceedings any enforcement proceedings concerning claims covered by the arrangement are suspended. The court may also order the suspension of any other enforcement proceedings.</li> <li>• Following commencement of the proceedings and until their completion, secured creditors are not permitted to take any enforcement action in respect of secured assets.</li> <li>• The company can continue trading as a going concern during implementation of the procedure.</li> </ul>	
<b>LOCAL NAME</b>	Układ częściowy
<b>ENGLISH TRANSLATION</b>	Partial agreement
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure involving an arrangement with specific creditors (eg secured creditors) provided they are selected by reference to objective factors.</li> <li>• This is not a separate restructuring procedure but may be utilised within (i) proceedings for the approval of the arrangement or (ii) accelerated arrangement proceedings.</li> <li>• Secured creditors may be included in the arrangement, without their consent, provided they are likely to recover no less than they would receive on enforcement of their rights.</li> </ul>	
<b>LOCAL NAME</b>	Postępowanie upadłościowe
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings / Insolvency proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A process involving the liquidation of the debtor's assets and the cessation of its business.</li> <li>• Commenced by a debtor or creditor's petition declaring bankruptcy.</li> <li>• If approved, the court appoints a trustee to take over the management of the debtor's business, realise its assets and distribute the proceeds to creditors in the statutory order.</li> <li>• Secured creditors are satisfied by the trustee from the price obtained from the realisation of the secured asset less the costs of realisation and other costs of the bankruptcy proceedings in an amount no higher than one-tenth of the</li> </ul>	

<p>sum realised from the secured asset.</p> <ul style="list-style-type: none"> <li>No enforcement proceedings, even by secured creditors, may be conducted or initiated during the bankruptcy proceedings.</li> </ul>	
<b>LOCAL NAME</b>	Uproszczone postępowanie upadłościowe / pre-pack
<b>ENGLISH TRANSLATION</b>	Simplified bankruptcy proceedings / pre-pack
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>The court declares bankruptcy and approves the terms of a sale agreement (attached to the petition) for the sale of the whole or a substantial part of the debtor's business.</li> <li>The sale agreement must contain, at least, details of the price, the purchaser and a valuation report prepared by a court-certified expert.</li> <li>The court will typically approve the petition and sale agreement if the proposed price exceeds the estimated realisations in a liquidation after deducting estimated costs.</li> <li>The only difference, in comparison to standard bankruptcy proceedings, is the conclusion of the sale agreement shortly after approving the bankruptcy petition.</li> </ul>	
<b>LOCAL NAME</b>	Upadłość osób fizycznych nieprowadzących działalności gospodarczej, upadłość konsumencka
<b>ENGLISH TRANSLATION</b>	Consumer bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>A procedure, similar to standard bankruptcy proceedings, for insolvent natural persons (consumers) who are not engaged in business activity.</li> <li>A trustee is appointed, prepares an inventory and list of claims and then liquidates the debtor's assets.</li> <li>Secured creditors are satisfied by the trustee from the realisation of their encumbered assets less the costs of realisation the asset and other costs of the bankruptcy proceedings, in an amount no higher than one-tenth of the sum realised from the secured asset. However, if the trustee sells an encumbered residential property, there may also be deducted from the proceeds of realising the security, a sum for the debtor to rent an alternative residential property for 12 or even 24 months.</li> <li>No enforcement proceedings may be conducted or initiated during the course of bankruptcy proceedings.</li> </ul>	
<b>LOCAL NAME</b>	Zasady ogólne
<b>ENGLISH TRANSLATION</b>	General provisions
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>Generally, enforcement is carried out through court enforcement proceedings. Court enforcement proceedings may only be commenced on the basis of an enforcement title together with an 'enforcement clause' (the enforcement clause is a court deed which includes a court statement that the writ entitles the security holder to execution and, if necessary, defines its scope). Under Polish law an enforcement title may, amongst others, take the form of: <ul style="list-style-type: none"> <li>a notary deed, under which the debtor voluntarily submits to enforcement; or</li> <li>a court judgment.</li> </ul> </li> <li>Usually, the creditor files an application with the enforcement officer or the court, setting out the debtor's asset against which such enforcement proceedings should be carried out.</li> <li>Most commonly, the enforcement officer will seize and sell certain of the debtor's assets. Under certain conditions, the creditor may request the court to place part of the debtor's business in receivership (zarząd przymusowy) and satisfy creditor's claim from the profits of the enterprise.</li> </ul>	

<b>LOCAL NAME</b>	Egzekucja hipoteki
<b>ENGLISH TRANSLATION</b>	Enforcement of mortgages
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A mortgage can only be enforced through court proceedings commenced on the basis of an enforcement title together with an 'enforcement clause' (a court deed which includes a court statement that the writ may be executed and, if necessary, defines its scope). Under Polish law an enforcement title may, amongst others, take the form of: <ul style="list-style-type: none"> <li>○ a notary deed, under which the debtor voluntarily submits to enforcement (in financing transactions, lenders usually require that debtors provide a declaration of voluntary submission to enforcement); or</li> <li>○ a court judgment.</li> </ul> </li> </ul>	
<b>LOCAL NAME</b>	Egzekucja zastawu zwykłego
<b>ENGLISH TRANSLATION</b>	Enforcement of civil pledges
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A civil pledge can only be enforced through court proceedings. Court enforcement proceedings may only be commenced on the basis of an enforcement title together with an 'enforcement clause' (the enforcement clause is a court deed which includes a court statement that the writ may be executed and, if necessary, defines its scope). Under Polish law an enforcement title may, amongst others, take the form of: <ul style="list-style-type: none"> <li>○ a notary deed, under which the debtor voluntarily submits to enforcement (in financing transactions, lenders usually require that debtors provide a declaration of voluntary submission to enforcement); or</li> <li>○ a court judgment.</li> </ul> </li> </ul>	
<b>LOCAL NAME</b>	Egzekucja zastawu finansowego
<b>ENGLISH TRANSLATION</b>	Enforcement of financial pledges
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Financial pledges may be enforced through either court enforcement proceedings or, if the pledge agreement so provides, one of the out-of-court enforcement methods listed in the act on financial collateral. Such methods include the creditor taking over the pledged asset for an agreed value to be applied to satisfy the secured claim; and the right of the creditor to sell the pledged asset and to satisfy its claim from the sale proceeds.</li> </ul>	
<b>LOCAL NAME</b>	Egzekucja zastawu rejestrowego
<b>ENGLISH TRANSLATION</b>	Enforcement of registered pledges
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Registered pledges may be enforced through either court enforcement proceedings or, if the pledge agreement so provides, one of the out-of-court enforcement methods listed in the act on registered pledges. Such methods include: <ul style="list-style-type: none"> <li>○ the creditor taking over the pledged asset for an agreed value to be applied to satisfy the secured claim;</li> <li>○ an extra-judicial sale of the asset by a notary public or an enforcement officer;</li> <li>○ appointment of a special receiver and the creditor's claim being satisfied from the profits of the enterprise (only if there is a registered pledge over a set of assets);</li> <li>○ the creditor being entitled to satisfy its claim from the profits from lease of the enterprise (only if there is a registered pledge over a set of assets).</li> </ul> </li> </ul>	
<b>Anticipated changes in the next two years</b>	Proposals have been made regarding changes to restructuring and bankruptcy law; however, the work is at a very preliminary stage.

In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.

Notable features which the directive will require member states to include in their insolvency laws are:

- an effective preventative restructuring framework;
- a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;
- an ability to cram down dissenting classes of creditors;
- adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and
- provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.

**PORTUGAL**

<b>LOCAL NAME</b>	Processo Especial de Revitalização (PER)
<b>ENGLISH TRANSLATION</b>	Special revitalization procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A court-supervised procedure to restructure debtors in financial difficulty or at imminent risk of insolvency via the approval by creditors of a recovery plan.</li> <li>• Initiated by petition evidencing the debtor's financial difficulties / imminent insolvency, after which the court appoints a Provisory Judicial Administrator (Administrador Judicial Provisório). It is possible to attach several PER proceedings together when they relate to entities within the same group of businesses and to appoint a common Provisory Judicial Administrator to all the proceedings.</li> <li>• During this revitalization procedure, in contrast to insolvency proceedings, the debtor's management remains in office and is only required to seek permission from the Provisory Judicial Administrator in order to perform “particularly relevant acts”.</li> <li>• An initial negotiation phase must be concluded within two months, and may be extended, only once for one month, on agreement between the debtor and the Provisory Judicial Administrator. During the negotiation period, any pending judicial proceedings directed at the recovery of debts will be suspended, and no new proceedings with a similar purpose may be initiated. Any pending insolvency proceedings, where the insolvency of the company has not yet been declared, will also be stayed during the revitalization procedure.</li> <li>• Once the recovery plan is approved and registered, the debtor’s debts will be deemed to have been discharged, subject only to the terms and conditions of the plan.</li> <li>• If the recovery plan is not approved, the law sets out two alternatives: (i) if the debtor is insolvent, the Provisory Judicial Administrator must file a petition of insolvency; or (ii) if the debtor is not insolvent, the Provisory Judicial Administrator applies to terminate the PER.</li> </ul>	
<b>LOCAL NAME</b>	Regime Extrajudicial de Recuperação de Empresas (RERE)
<b>ENGLISH TRANSLATION</b>	Extra-judicial company recovery proceeding
<b>KEY FEATURES</b>	
<p><b><u>This legal regime is not yet in force, as it is awaiting publication of the relevant Regulation. It will substitute the current SISTEMA DE RECUPERAÇÃO DE EMPRESAS POR VIA EXTRAJUDICIAL (SIREVE).</u></b></p> <ul style="list-style-type: none"> <li>• An out-of-court restructuring tool, conducted by the "Institute of Assistance to Small and Medium-sized Companies and Innovation" (IAPMEI) that grants a debtor (companies and sole traders) in economic and financial distress permission to engage in negotiations with its creditors to reach a voluntary, bespoke and confidential agreement.</li> <li>• If certain legal requirements are met, the extra-judicial agreement may have the same effect as if it was approved in the context of a Processo Especial de Revitalização (PER).</li> <li>• The restructuring agreement immediately suspends all enforcement proceedings for debt collection and insolvency applications against the debtor.</li> <li>• The debtor remains in control of the company and its assets.</li> <li>• A RERE restructuring agreement only binds creditors who have participated in and signed the agreement.</li> </ul>	
<b>LOCAL NAME</b>	Processo de Insolvência
<b>ENGLISH TRANSLATION</b>	Insolvency procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A company is deemed insolvent when it is unable to pay overdue debts and when its liabilities materially exceed its assets.</li> </ul>	

- If the court decides to declare that the debtor is insolvent, it will appoint an Insolvency Administrator ("Administrador de Insolvência"), establish a deadline for filing creditor claims and schedule a general meeting of creditors.
- If the proceedings are initiated by the debtor, the petition may ask for its management to retain control of its assets, provided there is a committed intention to present an Insolvency Plan (for restructuring or controlled liquidation), which must be approved by the court.
- A judicial declaration of insolvency: (i) transfers the power to manage and dispose of assets to an Insolvency Administrator (unless the debtor's management retains control - as above); (ii) preventing the commencement or continuation of any enforcement action; (iii) joining to the insolvency procedure any judicial action that may affect the value of the debtor's assets; and (iv) accelerating the debtor's obligations to maturity (except for obligations subject to conditions precedent).
- Creditors are required to assess the company's financial viability and decide jointly, in a court assembly, whether recovery or liquidation is appropriate, and under which terms and conditions.
- An insolvency plan proposes either: (i) a restructuring and recovery of the debtor or; (ii) its liquidation. The insolvency plan reflects the majority of creditors' preferences, as discussed and approved at a creditors' meeting and then ratified by the Court of Law.
- Alternatively, when a company is declared insolvent, the creditors' general meeting can vote for its liquidation instead of its recovery.

<b>LOCAL NAME</b>	Processo Especial para Acordo de Pagamento (PEAC)
<b>ENGLISH TRANSLATION</b>	Special procedure for a payment agreement

**KEY FEATURES**

- A procedure analogous to special revitalization proceedings for companies, but created specifically for natural persons.
- Most of the key features of Processo Especial de Revitalização (PER) apply, but with the following additional features:
  - During PEAC negotiations, the provision of certain essential public services cannot be suspended (eg water, power and gas, electronic communications and postal services); and
  - If the debtor brings an end to the proceedings, he cannot invoke PEAC for a period of two years.

<b>LOCAL NAME</b>	Processo de Insolvência
<b>ENGLISH TRANSLATION</b>	Insolvency procedure

**KEY FEATURES**

- A natural person is deemed insolvent when he is unable to pay his debts when they fall due and when his liabilities materially exceed his assets.
- The insolvency procedure of a natural person is similar to the Processo de Insolvência for companies, but with the following particular features:
  - If the insolvency procedure is initiated by the debtor himself, the petition may also include a proposed payment plan which must be approved by his creditors and the court. The insolvency procedure is suspended until approval is granted; or
  - The administration of the insolvency estate is mandatorily transferred to an Insolvency Administrator and no insolvency plan can be presented.
  - "Fresh Start": under certain circumstances, the law permits a debtor to apply for a special regime called "Exoneração do Passivo Restante", with a view to obtaining a judicial pardon in respect of debts that were not paid as an integral part of the insolvency procedure or in the five years after its termination (except some specific types of debts, e.g. tax and social security debts). If this is approved by the debtor's creditors and the court, it will establish a five-year period in which all of the debtor's income must be paid to the Insolvency Administrator (or a fiduciary) so that he can pay whatever amount is possible

within that timeframe. During this period, enforcement proceedings and requests to initiate insolvency proceedings against the debtor are suspended.

<b>LOCAL NAME</b>	Ação Executiva
<b>ENGLISH TRANSLATION</b>	Enforcement procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Before a creditor can judicially initiate an enforcement procedure he must have an EOC (enforcement order certificate, which in Portuguese corresponds to "Título Executivo"). An EOC may be, inter alia, a court order directing the debtor to pay the creditor; or an agreement certified by a notary or lawyer, where the debtor recognises an obligation to pay the debtor.</li> <li>• With an EOC, a creditor may immediately apply to court to foreclose the collateral.</li> <li>• After its seizure by an Enforcement Agent, the collateral may be sold by: <ul style="list-style-type: none"> <li>○ Adjudication: the creditor may apply to the court to acquire the collateral but its offer may not be lower than 85% of the base value of the collateral;</li> <li>○ Sale in regulated markets (if the secured assets are listed in a regulated market)</li> <li>○ Electronic auction: If none of the above apply, this is the preferred method of sale.</li> <li>○ Public auction: when agreed upon by the creditor and the debtor or if the court determines it is appropriate in view of the nature of the secured assets.</li> <li>○ Sealed first-price auction: the starting price of the sale price corresponds to 85% of the base value of the collateral.</li> <li>○ Public deposit: This only arises if the court determines that the collateral (only movable assets) should be moved to a public deposit.</li> <li>○ Private sale: Applicable when other methods fail, if the sale must be effected urgently or if agreed between the debtor and the creditor.</li> </ul> </li> <li>• Public creditors (tax authority and social security) and other creditors holding security over the same asset (eg a second ranking mortgage) will be notified by the appointed Enforcement Agent to bring their claims within the course of the main enforcement procedure. Payments will be made after the asset has been sold, in accordance with legal hierarchy of creditors and after the court's ruling on such claims (if any).</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> </ul>

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul> |
|--|---|

## ROMANIA

<b>LOCAL NAME</b>	Mandat ad-hoc
<b>ENGLISH TRANSLATION</b>	Ad hoc mandate / Debt restructuring procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A confidential and mainly out-of-court procedure through which a debtor in financial difficulty may negotiate with its creditors, via an agent ("mandatar ad-hoc"), an agreement to overcome its financial difficulties.</li> <li>• The agent must be an insolvency practitioner and is appointed by the court. He may advance restructuring proposals to creditors and an agreement must be reached within 90 days.</li> <li>• The company remains in control of its assets.</li> <li>• Secured creditors which are not part of the procedure may enforce their security.</li> </ul>	
<b>LOCAL NAME</b>	Concordat preventiv
<b>ENGLISH TRANSLATION</b>	Preventive composition
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Comprises an agreement between a debtor in financial difficulty and creditors holding at least 75% of accepted and uncontested claims, through which the debtor proposes a restructuring plan.</li> <li>• The agreement must be approved by the court (syndic judge) which may decide that creditors who did not accept the restructuring plan and therefore did not sign the agreement should reschedule their claims for a maximum period of 18 months without charging interest, penalties or other charges (except for financial contracts, eg forwards, swaps etc).</li> <li>• The entire procedure is conducted by a composition receiver ("administrator concordatar"), who is appointed by the court and selected from a list of insolvency practitioners.</li> <li>• All enforcement actions commenced by creditors (including secured creditors) are suspended.</li> <li>• The procedure may last up to 24 months extendable for another 12 months.</li> </ul>	
<b>LOCAL NAME</b>	Insolventa
<b>ENGLISH TRANSLATION</b>	Insolvency proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Commenced at the request of either the debtor or any of its creditors. The debtor is presumed to be insolvent if it has not paid its debts for a period of at least 60 days of a debt becoming due and the debt amounts to at least RON 40.000 (approx. €9,000).</li> <li>• Following a court decision to commence the proceedings, the debtor enters an observation period until a reorganisation plan is approved or bankruptcy proceedings are commenced.</li> <li>• The court may permit the debtor to administer its assets under the control of a court-appointed judicial administrator and under the control of the court (syndic judge) itself. In certain cases the court may refuse to permit the debtor to administer its own assets, in which case the judicial administrator appointed by the court will have all rights of administration. During this period creditors are required to file their claims. The debtor is represented by a special administrator appointed by the general meeting of shareholders.</li> <li>• All enforcement procedures commenced before the opening of the insolvency proceedings are suspended (including those started by the secured creditors).</li> <li>• Creditors may not rely solely on the insolvency proceedings as grounds for terminating contracts entered into with the debtor.</li> <li>• Certain decisions within the insolvency proceedings are referred to a creditors' committee of three or five creditors nominated by the creditors' meeting from three classes of creditors (secured, unsecured and State claims).</li> </ul>	

<b>LOCAL NAME</b>	Reorganizare judiciara
<b>ENGLISH TRANSLATION</b>	Reorganisation proceedings (part of insolvency proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• If a reorganisation plan is approved as part of insolvency proceedings, the debtor will enter into a reorganisation procedure which may last up to three years.</li> <li>• A special administrator will conduct the debtor's business in accordance with the reorganisation plan and subject to the control of a judicial administrator.</li> </ul>	
<b>LOCAL NAME</b>	Faliment
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings (part of insolvency proceedings)
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Bankruptcy proceedings can be commenced as part of insolvency proceedings in the following circumstances: (i) if the debtor applied for a simplified insolvency procedure; (ii) the debtor/its creditors/judicial administrator did not propose a reorganisation plan; (iii) the reorganisation plan was not approved; or (iv) the reorganisation of the debtor failed.</li> <li>• The procedure involves liquidation of all of the debtor's assets.</li> </ul>	
<b>LOCAL NAME</b>	Darea in plata a unor bunuri imobile
<b>ENGLISH TRANSLATION</b>	Mortgage discharge
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An out-of-court procedure where the debtor transfers ownership of all mortgaged (residential) properties to the lender and in return is discharged from the outstanding loan and all accrued costs.</li> <li>• If the procedure fails, the debtor may apply to court for an order regarding the mortgage discharge.</li> </ul>	
<b>LOCAL NAME</b>	Insolventa persoanei fizice:
<b>ENGLISH TRANSLATION</b>	Natural person insolvency
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure for individuals whose debts do not arise from professional activities and where there is no reasonable prospect that the debtor will be able to meet his obligations within a maximum 12-month period whilst at the same time maintaining a reasonable standard of living for himself and his dependants.</li> <li>• The procedure is conducted by an insolvency committee/administrator/liquidator and by the court, depending on which of the following procedures is followed: <ul style="list-style-type: none"> <li>○ Insolvency procedure based on a plan for debt repayment (procedura de insolvență pe bază de plan de rambursare a datoriilor);</li> <li>○ Insolvency court procedure based on the liquidation of the debtor's assets (procedura judiciară de insolvență prin lichidare de active); or</li> <li>○ Simplified insolvency procedure (procedura simplificată de insolvență).</li> </ul> </li> </ul>	
<b>LOCAL NAME</b>	1. Procedura de insolvență pe bază de plan de rambursare a datoriilor
<b>ENGLISH TRANSLATION</b>	1. Insolvency procedure based on a plan for debt repayment

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A natural person's debt repayment plan is approved if creditors representing at least 55% of the total value of debts and 30% of preferential debts vote in favour of it.</li> <li>• If the proposed plan is not approved by creditors, the debtor can request the competent court either to confirm the plan or order the opening of an insolvency procedure based on the liquidation of the debtor's assets.</li> <li>• Following the approval of the plan, all enforcement procedures initiated against the debtor are suspended (including those commenced by secured creditors).</li> <li>• Contracts which are ongoing when the insolvency procedure was opened must be maintained and cannot be terminated due to the opening of the insolvency proceedings.</li> <li>• If the insolvency committee determines that the plan for debt repayment cannot be fulfilled, it will submit the debtor's/administrator's request to the competent court.</li> </ul>	
<b>LOCAL NAME</b>	2. Procedura judiciară de insolvență prin lichidare de active
<b>ENGLISH TRANSLATION</b>	2. Insolvency court procedure based on the liquidation of the debtor's assets
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• If the court approves an application to open proceedings based on liquidation of the debtor's assets, it will appoint a liquidator.</li> </ul>	
<b>LOCAL NAME</b>	3. Procedura simplificată de insolvență
<b>ENGLISH TRANSLATION</b>	3. Simplified insolvency procedure
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A simplified insolvency procedure can be applied to an insolvent debtor where (i) the total amount of debts is equal to 10 (ten) times the minimum wage; (ii) the debtor has no realisable assets or income; and (iii) the debtor is past the standard retirement age or retired early as a result of losing at least half of his work capacity to work.</li> </ul>	
<b>LOCAL NAME</b>	Procedura de executare silita
<b>ENGLISH TRANSLATION</b>	Enforcement proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Enforcement proceedings can be taken in respect of both movable and immovable assets. They can take place out of court or via court proceedings.</li> <li>• The out-of-court procedure applies to secured claims over movable assets only and subject to certain conditions.</li> <li>• In all other cases, the procedure is conducted by an enforcement officer selected by the creditor(s) from a list of local enforcement officers. He must give the debtor notice of the proceedings, informing him that he has a certain period of time within which to pay all his debts (including enforcement costs).</li> </ul>	
<b>Anticipated changes in the next two years</b>	In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view

	<p>to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"><li>• an effective preventative restructuring framework;</li><li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li><li>• an ability to cram down dissenting classes of creditors;</li><li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul>
--	--

**SLOVAKIA**

<b>LOCAL NAME</b>	Konkurz, konkurzné konanie
<b>ENGLISH TRANSLATION</b>	Bankruptcy, bankruptcy proceeding
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A company, partnership or natural person is insolvent (úpadok) if it / he is (i) unable to pay at least two monetary liabilities due to more than one creditor within 30 days of the due date (platobne neschopný) or (ii) over-indebted (predĺžený), which means that the value of liabilities exceeds the value of assets.</li> <li>• Bankruptcy provides for a sale of the debtor's assets and satisfaction of creditors from the proceeds of sale. For corporate entities or partnerships, it leads to the winding up of the debtor.</li> <li>• An application to declare bankruptcy may be filed at court by a debtor, a creditor (only where the debtor is a corporate entity or natural person - entrepreneur) or a liquidator of the debtor. A debtor is obliged to submit an application to declare bankruptcy within 30 days of the date when it knew or, exercising professional care, should have known of its insolvency.</li> <li>• As part of the decision declaring bankruptcy, the court will appoint a trustee, at random, from the register of trustees.</li> <li>• The trustee manages the debtor's property, sell its/his assets and distribute the proceeds to creditors.</li> </ul>	
<b>LOCAL NAME</b>	Malý konkurz
<b>ENGLISH TRANSLATION</b>	Small bankruptcy
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A form of bankruptcy (intended to be faster than regular bankruptcy) which can apply to insolvent companies and all forms of partnership.</li> <li>• It can be declared by the court where the debtor's assets do not exceed €165,000, its turnover does not exceed €333,000 and it has fewer than 50 creditors.</li> <li>• Like bankruptcy, small bankruptcy provides for a sale of the debtor's assets and satisfaction of creditors from the proceeds of sale.</li> </ul>	
<b>LOCAL NAME</b>	Reštrukturalizácia
<b>ENGLISH TRANSLATION</b>	Restructuring
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Proceedings to provide a flexible approach under a plan to restructure the debtor's liabilities or to effect other restructuring measures (including a sale of assets).</li> <li>• An application to authorise a restructuring may be submitted by a debtor, or a creditor with the debtor's consent, to the court but only if a trustee registered in the register of trustees provides an expert opinion and recommends restructuring.</li> <li>• During a restructuring, a debtor is obliged to restrict its actions to those in the ordinary course of business; any other actions must be approved by the trustee. The trustee supervises the debtor and reviews registered claims. After a successful restructuring, the debtor may continue to operate its business.</li> </ul>	
<b>LOCAL NAME</b>	Oddĺženie
<b>ENGLISH TRANSLATION</b>	Debt discharge
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• An insolvent natural person may apply for debt discharge via bankruptcy or a payment calendar.</li> </ul>	

<ul style="list-style-type: none"> <li>• In debt discharge proceedings, any debts due to creditors that were not satisfied in previous bankruptcy proceedings will become unenforceable. Debt discharge may follow after the termination of the bankruptcy proceeding.</li> <li>• The court authorises debt discharge by a resolution, in which a trustee will be appointed.</li> </ul>	
<b>LOCAL NAME</b>	Záložné právo
<b>ENGLISH TRANSLATION</b>	Pledge right
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A pledgee is entitled to enforce a pledge in any way permitted by legal regulations applicable at the time of the enforcement and as agreed in the pledge agreement.</li> </ul>	
<b>LOCAL NAME</b>	Záložné právo k nehnuteľnosti
<b>ENGLISH TRANSLATION</b>	Mortgage
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A mortgagee is entitled to enforce a mortgage in any way permitted by legal regulations applicable at the time of the enforcement and as agreed in the mortgage agreement. In particular, a mortgagee is entitled to sell all, or any part of the immovable assets to any person directly or by public auction.</li> <li>• A mortgagee exercising its power of sale must exercise due care and aim to achieve a price which would normally be achieved if the same, or comparable assets, were sold under comparable conditions at the same time and place.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>An amendment of the Commercial Code has recently been approved that will introduce some changes to the bankruptcy and restructuring legislation.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> </ul>

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul> |
|--|---|

**SLOVENIA**

<b>LOCAL NAME</b>	Postopek prisilne poravnave
<b>ENGLISH TRANSLATION</b>	Compulsory settlement proceedings
<b>KEY FEATURES</b>	
<input type="checkbox"/> An insolvent debtor discloses their financial position to creditors and provides them with sufficient information to enable them to assess whether the financial restructuring plan would result in the solvency of the debtor.	
<input type="checkbox"/> The plan cannot compromise the claims of priority and secured creditors.	
<input type="checkbox"/> There is a stay on enforcement proceedings for any pending claims (for both secured and unsecured creditors). In some cases the initiation of compulsory settlement proceedings can also delay (or eventually terminate) bankruptcy proceedings.	
<input type="checkbox"/> During the procedure the debtor's legal capacity is limited. An administrator (upravitelj) and the court will supervise the debtor's activities.	
<b>LOCAL NAME</b>	Postopek poenostavljene prisilne poravnave
<b>ENGLISH TRANSLATION</b>	Simplified compulsory settlement proceedings
<b>KEY FEATURES</b>	
<input type="checkbox"/> A simplified version of "compulsory settlement proceedings" which is only available for micro-companies and individual/natural person entrepreneurs.	
<input type="checkbox"/> An administrator is not assigned to the debtor, claims are not examined and the creditors do not form a special committee. There are less safeguards than in regular compulsory settlement proceedings and costs are lower.	
<input type="checkbox"/> Secured creditors are not bound by agreements reached in the simplified compulsory settlement proceedings unless they explicitly agree, but there is a stay on enforcement proceedings affecting both secured and unsecured creditors.	
<b>LOCAL NAME</b>	Postopek preventivnega prestrukturiranja
<b>ENGLISH TRANSLATION</b>	Preventive restructuring proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Can be commenced even if the company is not yet insolvent. This is one of the main distinctions of this procedure from "compulsory settlement proceedings". A presumption that a company would become insolvent in a period of one year is sufficient for the proceedings to begin. Only large, medium-sized and small companies can undertake such proceedings. Micro-companies are excluded.</li> <li>• The company remains in control of its assets and can continue trading.</li> <li>• A standstill arises for a maximum period of 10 months. The presence of a notary and auditor in the proceedings provides safeguards to avoid abuses by the debtor (checking signatures and balances).</li> <li>• A preventative restructuring arrangement can only come into effect if: (i) creditors whose total amount of ordinary financial claims amount to at least 75% of the sum of all ordinary financial claims; (ii) creditors whose total amount of secured financial claims amount to at least 75% of the total of all secured financial claims (relevant if the arrangement is intended also to apply to secured financial claims); and (iii) creditors and the debtor reach an agreement. A dissenting minority is bound by the agreement, provided the treatment of their claims is no worse than treatment of the claims of the majority.</li> </ul>	

<ul style="list-style-type: none"> <li>The agreement can provide for a maximum five-year moratorium. The agreement can provide for ordinary creditors' debts to be reduced, and for secured creditors' interest rates to be lowered.</li> </ul>	
<b>LOCAL NAME</b>	Stečajni postopek nad pravno osebo
<b>ENGLISH TRANSLATION</b>	Bankruptcy proceedings against a legal entity
<b>KEY FEATURES</b>	
<input type="checkbox"/> All types of entity can be subject to these proceedings, the purpose of which is to sell all of the debtor's assets and repay its creditors.	
<input type="checkbox"/> Secured creditors look to the collateral to settle their claims. Although the costs of the bankruptcy proceeding are to be repaid first, secured creditors must only bear the costs of selling the assets charged in their favour, not the costs of selling all of the debtor's assets.	
<input type="checkbox"/> An administrator is appointed to represent the debtor in bankruptcy and to manage his operations.	
<input type="checkbox"/> Any pending enforcement proceeding is suspended or terminated.	
<b>LOCAL NAME</b>	Postopek osebnega stečaja
<b>ENGLISH TRANSLATION</b>	Personal bankruptcy proceedings
<b>KEY FEATURES</b>	
<input type="checkbox"/> Only available for natural persons and not entrepreneurs/traders. Similar in nature to "bankruptcy proceedings against a legal entity".	
<input type="checkbox"/> The debtor's legal capacity is limited so that he cannot conclude certain financial contracts without the consent of the court.	
<input type="checkbox"/> After sale of the debtor's assets and repayment of his creditors, the court can relieve the debtor of his liabilities (including the claims of secured creditors).	
<b>LOCAL NAME</b>	Postopek stečaja zapuščine
<b>ENGLISH TRANSLATION</b>	Legacy bankruptcy proceedings
<b>KEY FEATURES</b>	
<input type="checkbox"/> Proceedings against the estate of a deceased natural person to which the deceased bankrupt's heir and creditors are parties.	
<input type="checkbox"/> The rules for "bankruptcy proceedings against a legal entity" and for "personal bankruptcy proceedings" apply.	
<b>Secured creditor enforcement procedures</b>	<ul style="list-style-type: none"> <li>The enforcement action that a lender can take will depend on the type of asset and the form of security they have taken.</li> <li>Generally, a secured lender may either adopt judicial proceedings or extra-judicial proceedings to effect a sale of the property to repay the secured debt. For example, a real estate mortgagee may, under certain conditions, request that an out-of-court sale is initiated, which is managed by a notary public. The property is then sold by public auction or by a binding call for tenders. If the property remains unsold, the secured lender is entitled to buy it or to acquire ownership by way of set-off.</li> </ul>
<b>Anticipated changes in the next two years</b>	In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2

	<p>years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"><li>• an effective preventative restructuring framework;</li><li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li><li>• an ability to cram down dissenting classes of creditors;</li><li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul>
--	--

**SPAIN**

<b>LOCAL NAME</b>	Procedimiento de negociación pública para la consecución de acuerdos de refinanciación colectivos, acuerdos de refinanciación homologados y propuestas anticipadas de convenio (Procedimientos 5.bis)
<b>ENGLISH TRANSLATION</b>	Negotiation procedures to seek support for either an out-of-court refinancing agreement, its homologation (approval) of refinancing agreement or an early creditors' agreement (5.bis procedures)

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• The Spanish Insolvency Act includes a notification system for distressed companies when restructuring negotiations with creditors have begun, which suspends the obligation of the insolvent company to file for insolvency for a period of three months (four months, in practice).</li> <li>• If the secured assets are necessary for the continuity of business, there is a stay on the ability of secured creditors to enforce their security if a notification has been made. This means that secured creditors who enjoyed priority over assets which might be considered necessary for the company's business to continue must wait for the three or four-month period to expire or a restructuring agreement to be reached, before being able to enforce their security.</li> <li>• The procedure applies also to partnerships and natural persons.</li> </ul>	

<b>LOCAL NAME</b>	Acuerdos de Refinanciación (Procedimientos 71.bis).
<b>ENGLISH TRANSLATION</b>	Out-of-court refinancing agreement (71.bis procedures)

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A procedure designed to avoid insolvency proceedings by increasing the credit available to the debtor or modifying its obligations to creditors.</li> <li>• The debtor proposes an arrangement that will allow it to continue to trade, which can take two forms:             <ol style="list-style-type: none"> <li>1. a collective refinancing arrangement - A general refinancing agreement which requires the approval of 60% of creditors. It must include a viability plan that provides for a significant increase in the credit available to the debtor, or modified liabilities that will allow the debtor to continue to trade. An auditor appointed by the relevant company registry will also need to report on the effectiveness of the arrangement and it must be contained in a public deed; and</li> <li>2. an individual refinancing arrangement - The arrangement must satisfy stringent statutory requirements; e.g. an increase in the asset to liability ratio so that the value of security held by participating creditors does not exceed 90% of the value of their loans. This is intended to cover bilateral restructuring arrangements.</li> </ol> </li> <li>• These arrangements cannot bind dissenting creditors (whether secured or unsecured). Therefore, dissenting secured creditors can enforce their security.</li> <li>• Assets distributed under these arrangements cannot be clawed back in the event that the debtor enters an insolvency process.</li> <li>• The procedure applies to companies, partnerships and natural persons.</li> </ul>	

<b>LOCAL NAME</b>	Procedimiento de homologación de acuerdos de refinanciación
<b>ENGLISH TRANSLATION</b>	Homologation of refinancing agreement

<b>KEY FEATURES</b>	
---------------------	--

<ul style="list-style-type: none"> <li>• An alternative refinancing option for companies, partnerships and natural persons that requires the sanction of the court for a proposed restructuring arrangement (similar to an English scheme of arrangement).</li> <li>• The form and content of the arrangement must be the same as a "collective arrangement" (see: Acuerdos de Refinanciación (Procedimientos 71.bis) / Out-of-court refinancing agreement (71.bis procedures)), save that it requires the support of only a basic majority of 51% of financial creditors. The court will approve the arrangement if it has met the requirements for a collective arrangement.</li> <li>• Dissenting creditors may be bound by the arrangement depending on the level of support for the arrangement amongst creditors: <ol style="list-style-type: none"> <li>1. if it is supported by creditors representing at least 60% of financial debts, it can bind dissenting creditors to principal or interest stay periods (up to five years) and the conversion of financial debt into profit-participating loans (up to five years tenor);</li> <li>2. if the restructuring agreement includes longer stays (up to 10 years); haircuts; debt for equity swaps; debt for assets swaps; conversion of financial debt into profit participating loans, subordinated debt or any equivalent instrument (up to 10 years tenor); and/or conversion of the original debt instrument into a different one with different features, the restructuring agreement needs to be supported by creditors representing more than 75% of the financial debt.</li> </ol> </li> <li>• Rights of secured creditors may be compromised by these arrangements: where (1) applies, at least 65% of the value of the total security; and where (2) applies, 80% of the value of the total security.</li> </ul>	
<b>LOCAL NAME</b>	Procedimiento de acuerdos extrajudiciales de pago
<b>ENGLISH TRANSLATION</b>	Out-of-court payment agreements
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Companies, partnerships and natural persons (with debts of less than €5 million): (i) which are insolvent; (ii) whose insolvency proceedings are not considered to be especially complex; and (iii) which have sufficient assets to settle expenses inherent to the agreement, can initiate an out-of-court payment agreement procedure, which involves the appointment of an insolvency mediator (mediador concursal).</li> <li>• In order for the agreement to be accepted, it must be supported by: (i) creditors representing at least 60% of the financial debts affected by the agreement (where the agreement proposes a stay of up to five years and haircuts of a maximum of 25%); and (ii) creditors representing at least 75% of the financial debts affected by the agreement (where, among other criteria, the agreement proposes a stay of up to 10 years and haircuts higher than 25%).</li> <li>• Out-of-court payment agreements cannot be affected by potential clawbacks in the event the company files for insolvency.</li> </ul>	
<b>LOCAL NAME</b>	Concurso
<b>ENGLISH TRANSLATION</b>	Insolvency proceedings
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Proceedings for companies and partnerships which may result in either rescue of the debtor (convenio) or liquidation (liquidacion).</li> <li>• Can be initiated either by: (i) a creditor filing a petition at court (concurso necesario); or (ii) the debtor itself filing a petition in the Commercial Court of the capital of the province in which the debtor has its centre of main interests (concurso voluntario).</li> <li>• In initiating proceedings, a creditor is required to provide evidence of its debt, as well as of the debtor's insolvency, which is demonstrated by an inability of the debtor to meet its payment obligations as they fall due, or evidence that enforcement proceedings against the debtor have failed because it has insufficient assets.</li> </ul>	

- In creditor-initiated proceedings, the court appoints an insolvency officeholder to manage the debtor's assets and the directors will play no further management role. In debtor-initiated proceedings, the directors remain in control of the debtor company, subject to the supervision of an officeholder appointed by the court.
- Once insolvency proceedings have been commenced, there is a stay on all execution proceedings or writs against the debtor or its assets, and the debtor may not enter into any further transactions without the authorisation of the appointed officeholder.
- The process comprises two stages:
  1. the office holder investigates the debtor's assets and liabilities. Creditors must notify the officeholder of their claims within one month of the proceedings being commenced. The officeholder must produce a list of creditors in the appropriate order of ranking (as discussed further below), which can be challenged in court by a creditor.
  2. Secondly, either "convenio de acreedores", or "liquidación" (see below).
- Once the debtor is declared insolvent, the enforcement of security interests over assets owned by the debtor and used for its professional or business activities will be stayed until the occurrence of either: (a) approval of a creditors' agreement (unless the content has been approved by the secured creditor, in which case it will be bound by whatever has been agreed); or (b) one year has elapsed since the declaration of insolvency without liquidation proceedings being initiated (whichever is earlier).

<b>LOCAL NAME</b>	Concurso (convenio de acreedores)
-------------------	-----------------------------------

<b>ENGLISH TRANSLATION</b>	Insolvency proceedings (creditors' agreement)
----------------------------	---

**KEY FEATURES**

- There are two types of in-court composition solutions which can be made between a company or partnership debtor and its creditors: (i) the early creditors' agreement (convenio anticipado); and (ii) the ordinary creditors' agreement (convenio ordinario). If the (ordinary or early) creditors' agreement is approved by the creditors, the court will formally approve the agreement and lift any limitations imposed on the debtor during the insolvency proceedings.
- Different voting rights are vested in each group of creditors. Privileged creditors have the right to abstain from voting. If a creditor abstains, it will not be bound by the creditors' agreement. If the creditor votes, it will be bound by the agreement. Ordinary creditors are entitled to vote and will be bound by the decision of the majority, whether or not they vote or abstain. Subordinated creditors cannot vote. In general, the approval of creditors representing at least 50% of the total amount of ordinary claims is required to approve a composition agreement (65% is required for a stay between five years and ten years, and haircuts higher than the 50% of the claims).
- A creditors' agreement will include a detailed repayment schedule, in addition to limited deferral proposals, debt reductions, or a combination of the two. It may also include the conversion of loans into shares or participating loans. It will include a viability plan if the repayment plan is based on the debtor's future cash flow.

<b>LOCAL NAME</b>	Concurso (liquidación)
-------------------	------------------------

<b>ENGLISH TRANSLATION</b>	Insolvency proceedings (liquidation)
----------------------------	--------------------------------------

**KEY FEATURES**

- If neither the debtor (being a company or a partnership) nor a creditor propose a creditors' agreement, or if the proposal is not approved by the requisite majority at the creditors' meeting or by the court, the court will declare the liquidation of the debtor.
- The effects of liquidation include :
  - The debtor's management being replaced by an administrator.

	<ul style="list-style-type: none"> <li>○ The court declaring the dissolution of the debtor (which would have otherwise required the approval of the shareholders).</li> <li>○ Deferred claims being accelerated.</li> <li>○ The court deciding whether or not anyone is to blame for the debtor's insolvency; those found to be culpable may be required to make good deficiencies in the debtor's assets (concurso culpable) or not (concurso fortuito).</li> </ul>
<b>Special considerations for insolvency proceedings concerning natural persons</b>	<ul style="list-style-type: none"> <li>● Where insolvency proceedings concern a natural person and result in a shortfall of assets to meet liabilities, the proceedings can exonerate the debtor of his unpaid liabilities provided he acts in good faith and certain requirements are met.</li> <li>● The requirements include: the debtor is not considered to be culpable for his demise, nor convicted by a final judgment of an economic crime; the debtor has sought to enter into a payment agreement and has paid the claims of preferential creditors and, at least the 25% of the claims of ordinary creditors. Few natural persons are able to meet these requirements.</li> </ul>
<b>Secured creditor enforcement procedures</b>	<ul style="list-style-type: none"> <li>● Secured lenders are generally prohibited from appropriating collateral without the supervision of either the court or a notary public.</li> <li>● The enforcement action that a lender can take will depend on the type of asset and security held.</li> <li>● A secured lender may adopt either judicial proceedings or extra-judicial proceedings to effect a sale of a property to repay a secured debt. In the former, the court supervises the sale of the asset, and in the latter the sale is supervised by a notary public. In both cases, the property is auctioned, and if no sale is achieved, the lender may take control of the asset in exchange for 50%-70% of the appraisal value of the asset. However, the holder of a real estate mortgage may not initiate extra-judicial proceedings without an express right in the mortgage deed. As a general rule, the average time from the occurrence of an event of default to obtaining the property through judicial proceedings is between 6 and 18 months, but could be less in the case of the extra-judicial proceedings.</li> </ul>
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>● an effective preventative restructuring framework;</li> <li>● a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>● an ability to cram down dissenting classes of creditors;</li> <li>● adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing</li> </ul>

	<p>necessary to implement a restructuring plan; and</p> <ul style="list-style-type: none"><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul>

## SWEDEN

<b>LOCAL NAME</b>	Företagsrekonstruktion
<b>ENGLISH TRANSLATION</b>	Company reorganisation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Used when a company or a partnership is unable or likely to become unable to pay its debts (the substantive test).</li> <li>• The reorganisation lasts for three months with a potential extension of up to 12 months.</li> <li>• Usually combined with a public composition and is initiated by either: (i) the creditors; or (ii) the debtor, applying to court.</li> <li>• If the court approves the application, it appoints an administrator. The debtor retains control over its property but must consult the administrator, whose duty it is to protect creditors' interests.</li> <li>• Secured creditors can take action to recover their debts during the reorganisation, but there is a moratorium on actions by unsecured creditors. If the debtor acts in a way that jeopardises creditors' interests during the reorganisation, the debtor can be declared bankrupt.</li> </ul>	
<b>LOCAL NAME</b>	Offentlig ackord
<b>ENGLISH TRANSLATION</b>	Public composition
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Used when a company or a partnership is unable or likely to become unable to pay its debts (the substantive test) and is initiated by the debtor applying to court.</li> <li>• All unsecured creditors take part in the negotiations; however secured creditors and those who rank above unsecured creditors need not take part in the procedure as they are already fully compensated.</li> <li>• The composition must be accepted by at least 60-75% of unsecured creditors.</li> <li>• The composition lasts for three months with a potential extension of up to 12 months.</li> <li>• The court supervises the procedure but the debtor retains control over its property and must consult with the administrator.</li> <li>• All unsecured creditors can be forced to accept a reduction of up to 75% (or more in certain circumstances) of the value of their claims.</li> </ul>	
<b>LOCAL NAME</b>	Privat ackord
<b>ENGLISH TRANSLATION</b>	Private composition
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A private arrangement proposed by a company or a partnership to reduce its debts.</li> <li>• An entirely voluntary procedure, which is not regulated by law. For example, there is no stay prohibiting secured creditor enforcement action; no time limits to comply with; no asset supervision or control (by the court or an insolvency practitioner).</li> <li>• All creditors must approve the composition.</li> </ul>	
<b>LOCAL NAME</b>	Konkurs
<b>ENGLISH TRANSLATION</b>	Bankruptcy

<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Initiated by either a creditor or the debtor (company or partnership) applying to court.</li> <li>• The applicant must prove that the company or partnership is insolvent; i.e. not only temporarily unable to pay its debts.</li> <li>• The period of bankruptcy can last between three months and several years.</li> <li>• The court appoints a receiver who takes charge of the company or partnership and its assets.</li> <li>• A creditor's financial claim should be filed and determined in the bankruptcy proceedings.</li> <li>• A statutory moratorium is imposed on creditors and, generally, only a creditor holding a pledge can continue to enforce its rights.</li> <li>• At the end of the procedure, the company or partnership ceases to exist.</li> </ul>	
<b>LOCAL NAME</b>	Frivillig likvidation i kombination med ackord
<b>ENGLISH TRANSLATION</b>	Voluntary liquidation in combination with composition
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Initiated by the debtor (company or partnership).</li> <li>• The liquidation typically lasts between 7 to 12 months.</li> <li>• The Companies Registration Office appoints a liquidator who takes charge of the company or partnership.</li> <li>• The liquidator is able to summon unidentified creditors by applying to publish a summons in the Official Gazette for a minimum period of six months. During this period, creditors must submit proofs of their claims (an unproven unidentified creditor's claim is generally invalid).</li> <li>• There are no substantive tests for the procedure and neither consent to, nor approval of, the procedure is required.</li> <li>• There is no stay prohibiting secured creditor action.</li> <li>• At the end of the procedure, the company or partnership ceases to exist.</li> </ul>	
<b>LOCAL NAME</b>	Tvångslikvidation
<b>ENGLISH TRANSLATION</b>	Compulsory liquidation
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Initiated by the Companies Registration Office who appoints a liquidator.</li> <li>• The liquidator can also be appointed by court order if the company: (i) has not registered its board, managing director or auditor; or (ii) has not provided the Companies Registration Office with annual audited reports.</li> <li>• The liquidator takes charge of the company.</li> <li>• The liquidation typically lasts between 7 to 12 months.</li> <li>• There is no stay prohibiting secured creditor action.</li> <li>• At the end of the procedure, the company ceases to exist.</li> <li>• The procedure also applies to partnerships.</li> </ul>	
<b>LOCAL NAME</b>	Skuldsanering
<b>ENGLISH TRANSLATION</b>	Debt rescheduling

<b>KEY FEATURES</b>	
<input type="checkbox"/> The Enforcement Authority decides if the procedure should be initiated and, if so, takes charge of it. <input type="checkbox"/> Creditor consent or approval of the procedure is not required. <input type="checkbox"/> The debtor remains in control of his assets. <input type="checkbox"/> Claims of unidentified creditors are invited by advertisement and all debts are reduced. Every creditor has an equal right to be paid. The Enforcement Authority decides how much the debtor will pay his creditors. Secured creditors are not included in the debt rescheduling and their security remains unaffected.	
<b>LOCAL NAME</b>	Personlig konkurs
<b>ENGLISH TRANSLATION</b>	Bankruptcy
<b>KEY FEATURES</b>	
<input type="checkbox"/> Initiated by either a creditor or the debtor applying to court, which appoints a receiver. <input type="checkbox"/> Only a creditor holding a pledge can continue with enforcement proceedings. <input type="checkbox"/> The general rules of corporate insolvency apply. <input type="checkbox"/> Payment can be demanded from the debtor even after the bankruptcy procedure is finalised.	
<b>Secured creditor enforcement procedures</b>	<input type="checkbox"/> In the case of disputed claims, in order to enforce the payment of a loan or security, an enforcement order must generally be obtained through the public courts or arbitration, as the claim itself is not enough. <input type="checkbox"/> Once the creditor has obtained the enforcement order and applied to the Enforcement Authority or bailiffs, the borrower's assets can be seized. <input type="checkbox"/> In the case of undisputed claims, there is a simplified bailiff procedure.
<b>Anticipated changes in the next two years</b>	<p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> <li>• provision for entrepreneurs who are made bankrupt for the first time to be fully</li> </ul>

	discharged from bankruptcy within 3 years.
--	--

**ENGLAND AND WALES \***

<b>LOCAL NAME</b>	Scheme of arrangement
-------------------	-----------------------

**KEY FEATURES**

- Derives from company, as opposed to insolvency legislation, and can be used for the solvent reorganisation of a group structure as well as insolvent restructuring.
- Can be proposed by both a company and a limited liability partnership (either by the directors or members or by an administrator or liquidator if the entity is in an insolvency process). The procedure is broadly the same for each.
- The court convenes meetings of members and creditors to consider a proposed compromise which must be approved by a majority in number and at least 75% in value of each class of creditors and members voting on the scheme.
- A scheme may propose only to affect the rights of some or all of the debtor's creditors. As long as the statutory voting thresholds are met, schemes can compromise or write off the claims of secured creditors without their consent.
- Increasingly being used by both UK-based and overseas incorporated companies (which need to establish a sufficient connection with the English jurisdiction in order to implement a scheme of arrangement) in the leveraged buy-out market to write off or exchange debt for equity.
- Schemes do not automatically provide a stay against actions and proceedings. However, in rare cases, the court has granted a stay to enable a scheme to be pursued. In other cases, the scheme may be preceded by a standstill agreement and/or a lock-up agreement where (usually in exchange for a fee) creditors will commit, in advance, to vote to approve the proposed scheme. Where the protection of a stay is imperative, the company may first enter administration (which brings an automatic stay) and the scheme would then be proposed by the administrators.

<b>LOCAL NAME</b>	Administration
-------------------	----------------

**KEY FEATURES**

- The main rescue procedure available for insolvent companies and all types of insolvent partnership in England and Wales, designed to provide breathing space so that the debtor can be rescued or reorganised or, failing that, its assets realised for the benefit of its creditors.
- An administrator can be appointed either by court order on application of the debtor's directors/members or any creditor or administration may be commenced more swiftly without a court hearing in some circumstances by the filing of documents at court by the insolvent debtor itself, its directors/members or a creditor who is a qualifying floating charge holder.
- The debtor's management is replaced by an administrator who must be an independent, licensed insolvency practitioner. An administrator has full powers to run and manage the company or partnership, including a power to borrow money and grant security over the debtor's assets. Regardless of who appointed him, the administrator owes his duties to the debtor's creditors as a whole.
- On enforcement, the only deduction to be made from fixed charge realisations is the cost of realising the asset. However, legislation provides that the costs and expenses of the insolvency office holder, sums due to preferential creditors and also a percentage of realisations that are compulsorily ring-fenced for unsecured creditors must be paid in priority to any sums due to a floating charge holder.
- Administration provides for a stay on all action against the debtor (including litigation against the debtor and the enforcement of security) and can be used to facilitate (controversially in some cases) pre-packaged sales of the company's or partnership's business. Despite the stay, an administrator has no power to sell assets which are subject to fixed charge security without first obtaining the permission of the charge holder or the court.

<ul style="list-style-type: none"> <li>Administration lasts for one year but can be extended initially with creditors' consent for a further year and afterwards for a period fixed by order of the court. The moratorium on creditor action remains in place for the duration of the process.</li> </ul>	
<b>LOCAL NAME</b>	Compulsory liquidation / Compulsory winding up / Winding up by the court
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li><input type="checkbox"/> A terminal insolvency process commenced by court order against a company or all types of partnerships in England and Wales, usually at the instigation of an unpaid creditor.</li> <li><input type="checkbox"/> It is commenced by petition filed by the entity itself, its directors / members or one or more creditors. The presentation of a petition does not operate as an automatic stay of proceedings against the debtor. However, dispositions made by a debtor after the presentation of a petition will be void if a winding-up order is subsequently made.</li> <li><input type="checkbox"/> If a winding-up order is made, a licensed insolvency practitioner is appointed to act as liquidator and the powers of the company's directors / the members of a limited liability partnership / the partners cease. It is unusual for a company or partnership to trade in liquidation. Instead, the liquidator's role is to realise the debtor's assets and distribute the proceeds to creditors.</li> <li><input type="checkbox"/> Proceeds are distributed, broadly, first to the secured creditors and then the unsecured creditors receive the remainder according to the principle of pari passu (in proportion to the amount of debt owed to them when compared with the total amount of unsecured debt of the company). Once all distributions have been made, the debtor will be dissolved.</li> <li><input type="checkbox"/> Compulsory liquidation brings a stay on court proceedings against the debtor, but it does not prevent secured creditors from enforcing their security.</li> <li><input type="checkbox"/> On enforcement, the only deduction to be made from fixed charge realisations is the cost of realising the asset. However, legislation provides that the costs and expenses of the insolvency office holder, sums due to preferential creditors and also a percentage of realisations that are compulsorily ring-fenced for unsecured creditors must be paid in priority to any sums due to a floating charge holder. A liquidator owes his duties to the creditors of the company as a whole and must act in the interests of all creditors.</li> </ul>	
<b>LOCAL NAME</b>	Creditors voluntary liquidation / Creditors voluntary winding up
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A terminal process commenced by resolution of the company's shareholders or, for limited liability partnerships, by a decision of its members.</li> <li>• A licensed insolvency practitioner is appointed to act as liquidator and the directors' / members' powers cease. It is unusual for a company or limited liability partnership to trade in liquidation. Instead, the liquidator's role is to realise the debtor's assets and distribute the proceeds to creditors. The liquidator owes his duty to the creditors as a whole.</li> <li>• Once all distributions have been made, the company or limited liability partnership will be dissolved.</li> <li>• There is no automatic stay on actions against the company or limited liability partnership but, on application, the court may grant such a stay either generally or in relation to specific claims. Such court orders are rare and there is usually nothing to prevent secured creditors enforcing their security.</li> </ul>	
<b>LOCAL NAME</b>	Company voluntary arrangement / CVA
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• Allows a solvent or insolvent company in England or Wales to propose a compromise with its creditors which, if accepted by 75% of creditors who participate in the decision whether or not to approve the proposal, is binding on</li> </ul>	

all of the debtor's unsecured creditors (unless 50% or more of unconnected creditors vote against the proposal). It is therefore commonly used to cram-down dissenting creditors.

- A CVA cannot affect the rights of secured or preferential creditors without their consent.
- Unless it is proposed by a debtor which is already in administration or relates to a small company (one of the criteria being that it has fewer than 50 employees), there is no automatic stay of actions against the debtor. However, a small company may obtain an order of the court staying creditors' actions for the period during which the CVA proposals are circulated among creditors and until creditors decide whether to accept or reject a proposal. During that time, no steps may be taken by secured creditors to trigger a default nor to enforce security.

<b>LOCAL NAME</b>	Partnership voluntary arrangement / PVA
-------------------	---

**KEY FEATURES**

- Allows all forms of partnership in England and Wales to propose a compromise with their creditors which, if accepted by 75% of creditors who participate in the decision whether or not to approve the proposal, is binding on all of the partnership's unsecured creditors.
- A PVA cannot affect the rights of secured creditors without their consent.

<b>LOCAL NAME</b>	Individual voluntary arrangement / IVA
-------------------	--

**KEY FEATURES**

- An IVA is a composition in satisfaction of a natural person's debts or a scheme of arrangement of his affairs in England or Wales.
- Usually proposed by debtors to avoid bankruptcy. If the debtor requires protection from his unsecured creditors, he can first apply for an interim order which stays actions of unsecured creditors during the period when proposals for the IVA are circulated and until creditors have decided whether to accept or reject the debtor's proposals.
- An IVA cannot affect the rights of secured creditors without their consent.
- The proposal takes effect if approved by 75% in value of creditors who elect to participate in the decision.
- The agreement sets out how creditors will be paid and normally provides for the debtor to make monthly contributions from his income for three to five years. At the end of an IVA, a debtor will be released from his remaining unsecured debts in accordance with the terms of the IVA. If a debtor fails to adhere to the payment plan, a creditor may petition for the debtor's bankruptcy.

<b>LOCAL NAME</b>	County Court Administration Order / Composition Order
-------------------	---

**KEY FEATURES**

- If a debtor owes less than £5,000 to at least two creditors pursuant to a county court or High Court judgment, he can apply to court for an administration order. The court then decides how much of the debt the debtor must repay and sets the level and duration of monthly repayments. The court will collect one monthly payment from the debtor and divide this payment between his creditors.
- Creditors listed on the administration order can't take any further action against the debtor without the court's permission.

<b>LOCAL NAME</b>	Debt Management Plan
-------------------	----------------------

**KEY FEATURES**

- A non-formal and unregulated way for a debtor to deal with his debts.

- There is no court involvement and no supervision by a licensed insolvency practitioner. They tend to be a written agreement between a debtor and his creditors (or some of them) in relation to the debts.
- When the plan is in place, there is no moratorium and there is nothing (beyond the contractual provisions) to stop a creditor from issuing proceedings against the debtor.

<b>LOCAL NAME</b>	Debt relief order / DRO
-------------------	-------------------------

**KEY FEATURES**

- A procedure available to financially distressed natural persons in England and Wales with very few assets and low income.
- The maximum amount of debt that can be covered by such an order is £20,000. The maximum value of a person's assets in order to be eligible for a debt relief order is £1,000 and he must have a disposable monthly income of less than £50.
- A debt relief order provides a debtor with a year's protection from creditors taking steps to enforce their debts without court permission. At the end of a year, the debtor is discharged in respect of those debts.
- A DRO does not lead to realisation or distribution of assets.

<b>LOCAL NAME</b>	Bankruptcy
-------------------	------------

**KEY FEATURES**

- In England and Wales, when a natural person is unable to pay his debts, one or more of his creditors (owed £5,000 or more) may petition the court for a bankruptcy order to be made against him. Alternatively, the debtor may himself apply for such an order, usually online. The same procedure applies regardless of whether the debtor was in business or not.
- Statute provides that, on a bankruptcy order being made, almost all of the debtor's assets vest automatically in either the Official Receiver or a Trustee in Bankruptcy. Their role is to realise the debtor's assets for distribution, *pari passu*, amongst his creditors. The tools of the debtor's trade and items needed to fulfil his basic domestic needs are excluded from enforcement action.
- Creditors are obliged to accept their distribution and, once discharged from bankruptcy, a debtor has no further liability for his bankruptcy debts.
- The Official Receiver/Trustee in Bankruptcy will continue to manage the debtor's bankrupt estate even after he has been discharged from bankruptcy (usually a year after the bankruptcy order is made).
- A bankruptcy order does not prevent secured creditors from enforcing security. A secured creditor may also prove in the bankruptcy for any shortfall.

<b>LOCAL NAME</b>	Administrative receivership
-------------------	-----------------------------

**KEY FEATURES**

- An administrative receiver may be appointed out of court to a company or an LLP in England and Wales by a creditor who holds floating charge security over the whole or substantially the whole of the company's assets created by a charge which predates 15 September 2003 (and in other very limited circumstances).
- The directors' powers cease on his appointment.
- An administrative receiver must be a licensed insolvency practitioner. The administrative receiver's role is to realise the secured assets in order to repay the debt due to the secured creditor. An administrative receiver has the power to run and dispose of the business of any company over which he may be appointed. An administrative

<p>receiver can sell assets by private sale. The administrative receiver owes his duties primarily to the secured creditor who appointed him.</p> <ul style="list-style-type: none"> <li>• Following changes in the law, administrative receivership is now very rare.</li> </ul>	
<b>LOCAL NAME</b>	Receiver / LPA Receiver / Fixed Charge Receiver
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A secured creditor who holds fixed charge security over assets owned by a company, all forms of partnership or a natural person in England or Wales can appoint a receiver out of court provided that the charge has become enforceable.</li> <li>• The receiver's powers are limited to the assets over which he has been appointed. He will usually either sell them to repay the debt due to the secured creditor (private sale is permissible) or receive income from income-generating assets, similarly to discharge the debt due to the secured creditor. Any surplus after the receiver's fees have been paid and the secured debt discharged will be returned to the debtor.</li> <li>• The receiver's primary duty is to the appointing charge holder, but he owes a residual duty to the other creditors and the debtor. There is no requirement for a receiver to be a licensed insolvency practitioner.</li> </ul>	
<b>LOCAL NAME</b>	Mortgagee possession / Chargeholder's possession
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• A creditor who holds security over the assets of a company, all forms of partnership or a natural person in England or Wales may take possession of the secured asset in order to sell or lease it to repay sums due.</li> <li>• A court order is required before taking possession of a natural person's home, but otherwise court proceedings are not essential. Instead, the secured creditor may simply take physical possession of the charged property.</li> </ul>	
<b>Anticipated changes in the next two years</b>	<p>In England and Wales the government has recently consulted on whether the corporate insolvency regime should be updated. New regimes may therefore be introduced in the future but there is no fixed timetable.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> </ul>

	<ul style="list-style-type: none"><li><input type="checkbox"/> adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li><li><input type="checkbox"/> provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul>
--	---

***\* There is no separate chapter included for Northern Ireland. However, broadly similar insolvency provisions to those in England and Wales apply in Northern Ireland.***

## SCOTLAND

<b>LOCAL NAME</b>	Scheme of arrangement
-------------------	-----------------------

### KEY FEATURES

- Derive from company, as opposed to insolvency legislation, and can be used for the solvent reorganisation of a group structure as well as insolvent restructuring.
- Can be proposed by both a company and a limited liability partnership (either by the directors or members or by an administrator or liquidator if the entity is in an insolvency process). The procedure is broadly the same for each.
- The court convenes meetings of members and creditors to consider a proposed compromise which must be approved by a majority in number and at least 75% in value of each class of creditors and members voting on the scheme.
- A scheme may propose only to affect the rights of some or all of the debtor's creditors. As long as the statutory voting thresholds are met, schemes can compromise or write off the claims of secured creditors without their consent.
- Increasingly being used by both UK-based and overseas incorporated companies (which need to establish a sufficient connection with the UK jurisdiction in order to implement a scheme of arrangement) in the leveraged buy-out market to write off or exchange debt for equity.
- Schemes do not automatically provide a stay against actions and proceedings. However, in rare cases, the court has granted a stay to enable a scheme to be pursued. In other cases, the scheme may be preceded by a standstill agreement and/or a lock-up agreement where (usually in exchange for a fee) creditors will commit, in advance, to vote to approve the proposed scheme. Where the protection of a stay is imperative, the company may first enter administration (which brings an automatic stay) and the scheme would then be proposed by the administrators.

<b>LOCAL NAME</b>	Administration
-------------------	----------------

### KEY FEATURES

- The main rescue procedure available for insolvent companies and limited liability partnerships, designed to provide breathing space so that the debtor can be rescued or reorganised or, failing that, its assets realised for the benefit of its creditors.
- An administrator can be appointed either by court order on application of the debtor's directors/members or any creditor or administration may be commenced more swiftly without a court hearing in some circumstances by the filing of documents at court by the insolvent debtor itself, its directors/members or a creditor who is a qualifying floating charge holder.
- The debtor's management is replaced by an administrator who must be an independent, licensed insolvency practitioner. He has full powers to run and manage the company or partnership, including a power to borrow money and grant security over the debtor's assets. Regardless of who appointed him, the administrator owes his duties to the debtor's creditors as a whole.
- On enforcement, the only deduction to be made from fixed charge realisations is the cost of realising the asset. However, legislation provides that the costs and expenses of the insolvency office holder, sums due to preferential creditors and also a percentage of realisations that are compulsorily ring-fenced for unsecured creditors must be paid in priority to any sums due to a floating charge holder.
- Administration provides for a stay on all action against the debtor (including litigation against the debtor and the enforcement of security) and can be used to facilitate (controversially in some cases) pre-packaged sales of the company's or partnership's business. Despite the stay, an administrator has no power to sell assets which are subject to fixed charge security without first obtaining the permission of the charge holder or the court.

<ul style="list-style-type: none"> <li>Administration lasts for one year but can be extended initially with creditors' consent for a further year and afterwards for a period fixed by order of the court. The moratorium on creditor action remains in place for the duration of the process.</li> </ul>	
<b>LOCAL NAME</b>	Compulsory liquidation / Winding up by the court
<b>KEY FEATURES</b>	
<input type="checkbox"/> A terminal insolvency process commenced by court order against a company or limited liability partnership, usually at the instigation of an unpaid creditor.	
<input type="checkbox"/> It is commenced by petition filed by the entity itself, its directors / members or one or more creditors. The presentation of a petition does not operate as an automatic stay of proceedings against the debtor. However, dispositions made by a debtor after the presentation of a petition will be void if a winding-up order is subsequently made.	
<input type="checkbox"/> If a winding-up order is made, a licensed insolvency practitioner is appointed to act as liquidator and the powers of the company's directors / the members of a limited liability partnership / the partners cease. It is unusual for a company or LLP to trade in liquidation. Instead, the liquidator's role is to realise the debtor's assets and distribute the proceeds to creditors.	
<input type="checkbox"/> Proceeds are distributed, broadly, first to the secured creditors and then the unsecured creditors receive the remainder according to the principle of pari passu (in proportion to the amount of debt owed to them when compared with the total amount of unsecured debt of the company). Once all distributions have been made, the debtor will be dissolved.	
<input type="checkbox"/> Compulsory liquidation brings a stay on court proceedings against the debtor, but it does not prevent secured creditors from enforcing their security.	
<input type="checkbox"/> On enforcement, the only deduction to be made from fixed charge realisations is the cost of realising the asset. However, legislation provides that the costs and expenses of the insolvency office holder, sums due to preferential creditors and also a percentage of realisations that are compulsorily ring-fenced for unsecured creditors must be paid in priority to any sums due to a floating charge holder. A liquidator owes his duties to the creditors of the company as a whole and must act in the interests of all creditors.	
<b>LOCAL NAME</b>	Creditors voluntary liquidation / Creditors voluntary winding up
<b>KEY FEATURES</b>	
<input type="checkbox"/> A terminal process commenced by resolution of the company's shareholders or, for limited liability partnerships, by a decision of its members.	
<input type="checkbox"/> A licensed insolvency practitioner is appointed to act as liquidator and the directors' / members' powers cease. It is unusual for a company or limited liability partnership to trade in liquidation. Instead, the liquidator's role is to realise the debtor's assets and distribute the proceeds to creditors. The liquidator owes his duty to the creditors as a whole.	
<input type="checkbox"/> Once all distributions have been made, the company or limited liability partnership will be dissolved.	
<input type="checkbox"/> There is no automatic stay on actions against the company or limited liability partnership but, on application, the court may grant such a stay either generally or in relation to specific claims. Such court orders are rare and there is usually nothing to prevent secured creditors enforcing their security.	
<b>LOCAL NAME</b>	Company voluntary arrangement / CVA

<b>KEY FEATURES</b>	
<input type="checkbox"/> Allows a solvent or insolvent company or limited liability partnership to propose a compromise with its creditors which, if accepted by 75% of creditors who participate in the decision whether or not to approve the proposal, is binding on all of the debtor's unsecured creditors (unless 50% or more of unconnected creditors vote against the proposal). It is therefore commonly used to cram-down dissenting creditors.	
<input type="checkbox"/> A CVA cannot affect the rights of secured or preferential creditors without their consent.	
<input type="checkbox"/> Unless it is proposed by a debtor which is already in administration or relates to a small company (one of the criteria being that it has fewer than 50 employees), there is no automatic stay of actions against the debtor. However, a small company may obtain an order of the court staying creditors' actions for the period during which the CVA proposals are circulated among creditors and until creditors decide whether to accept or reject a proposal. During that time, no steps may be taken by secured creditors to trigger a default nor to enforce security.	
<b>LOCAL NAME</b>	Protected Trust Deeds
<b>KEY FEATURES</b>	
<input type="checkbox"/> This is a voluntary arrangement a debtor (being a natural person, general or limited partnership) reaches with his creditors to compromise his debts.	
<input type="checkbox"/> The arrangement takes the form of a trust deed granted in favour of a Trustee who will be a registered insolvency practitioner. The trust deed effectively creates a voluntary form of sequestration with the same assets being transferred to the Trustee as would vest on sequestration, the Trustee being given the same powers and the Trustee being directed to distribute funds in the same way. The debtor will usually agree to pay a fixed contribution from income in addition.	
<input type="checkbox"/> There is a statutory process that must be followed (circulars to creditors with an opportunity to object) for the trust deed to acquire 'protected status' and thus make the arrangement binding on creditors and protect the debtor from enforcement action. Objections are required from one-third of creditors in value to prevent the trust deed becoming protected.	
<b>LOCAL NAME</b>	Debt Payment Programme under the Debt Arrangement Scheme
<b>KEY FEATURES</b>	
<input type="checkbox"/> A statutory scheme that allows natural persons, general or limited partnerships to manage and repay their debts. It is a debt management tool rather than an insolvency procedure and does not involve any compromise of debt. It is, however, possible to freeze interest, fees and charges on debts and to extend the period over which debts are repaid.	
<input type="checkbox"/> An application for a Debt Payment Programme is made through an Approved Money Adviser. Creditors have the opportunity to object but objections may be overridden by the Accountant in Bankruptcy as the DAS Administrator if it is determined that it would be fair and reasonable to allow the Debt Payment Programme to proceed.	
<b>LOCAL NAME</b>	Sequestration
<b>KEY FEATURES</b>	
<ul style="list-style-type: none"> <li>• When a natural person is unable to pay his debts, one or more of his creditors may petition the court for an award of sequestration to be made against him. Alternatively, the debtor may himself apply to the Accountant in Bankruptcy for his own sequestration. The same procedure applies regardless of whether the debtor was in business or not.</li> </ul>	

- Statute provides that almost all of the debtor's assets vest automatically in his Trustee in Sequestration. The Trustee continues to manage the debtor's bankrupt estate even after the debtor has been discharged from sequestration (usually a year after the award of sequestration is made).
- An award of sequestration does not prevent secured creditors from enforcing security.
- The same terms apply to general and limited partnerships.

<b>LOCAL NAME</b>	Receivership
-------------------	--------------

**KEY FEATURES**

- A receiver may be appointed out of court to a company by a creditor who holds floating charge security over the whole or substantially the whole of the company's assets.
- The directors' powers cease on his appointment.
- The receiver's role is to realise the secured assets in order to repay the debt due to the secured creditor. A receiver can sell assets by private sale. The receiver owes his duties primarily to the secured creditor who appointed him.
- Following changes in the law, receivership is now very rare.

<b>LOCAL NAME</b>	Secured creditor in possession of heritable property
-------------------	--

**KEY FEATURES**

- A creditor who holds security over heritable assets of a company, all forms of partnership or a natural person, may call up his security and seek to take possession of the secured asset in order to sell or lease it to repay sums due.
- A court order may be required before the secured creditor may take physical possession.

<b>Anticipated changes in the next two years</b>	<p>In Scotland, the Accountant in Bankruptcy is currently carrying out a review of the debt enforcement (diligence) processes in Scotland and working on a project to modernise and improve efficiencies in Scottish corporate insolvencies.</p> <p>In June 2015, the European Commission released proposals for a new directive seeking to harmonise national insolvency laws across EU Member States (with the exception of Denmark). The aim of the directive is to provide minimum common standards which member states will be required to incorporate into their national laws within 2 years of the directive entering into force. The draft directive is currently making its way through the European legislative process and it is anticipated that a general approach agreement on the proposals will be reached by December 2018, with a view to a first reading agreement in the European Parliament before the end of its current term in 2019.</p> <p>Notable features which the directive will require member states to include in their insolvency laws are:</p> <ul style="list-style-type: none"> <li>• an effective preventative restructuring framework;</li> <li>• a stay of a maximum of two months, extendable to up to six months, to support negotiations of a restructuring proposal;</li> <li>• an ability to cram down dissenting classes of creditors;</li> <li>• adequate protection for financing needed to allow the business to survive or to preserve the value of the business pending a restructuring and for new financing necessary to implement a restructuring plan; and</li> </ul>
--	--

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• provision for entrepreneurs who are made bankrupt for the first time to be fully discharged from bankruptcy within 3 years.</li></ul> |
|--|---|

## NON-EUROPEAN UNION

Where the country selected in 'Country of Registered Location' for the Corporate Borrower or Partnership and 'Country of Residence' for the Private Individual Counterparty is not in the European Union.

Where 'Corporate Restructuring Procedures', 'Corporate Insolvency Procedures', 'Private Individual Counterparty Debt Compromise Procedures', 'Private Individual Counterparty Insolvency Procedures', 'Partnership Restructuring Procedures' or 'Partnership Insolvency Procedures' is selected for 'Legal Procedure Type'.

- (a) Reorganisation
  - A reorganisation plan has not been composed
  - A reorganisation plan has been composed and agreed
- (b) Scheme of arrangement
  - The debtors has not entered a scheme of arrangement
  - The debtor has entered a scheme of arrangement in court
  - The debtor has entered a scheme of arrangement out of court
- (c) Administration
  - An administrator has not been appointed
  - An administrator has been appointed
- (d) Bankruptcy
  - The debtor has not been declared bankrupt
  - The debtor has been declared bankrupt
- (e) Voluntary liquidation
  - The debtor has entered into liquidation voluntarily
- (f) Compulsory liquidation
  - The debtor has entered into compulsory liquidation
- (g) Other