



# Insolvency frameworks

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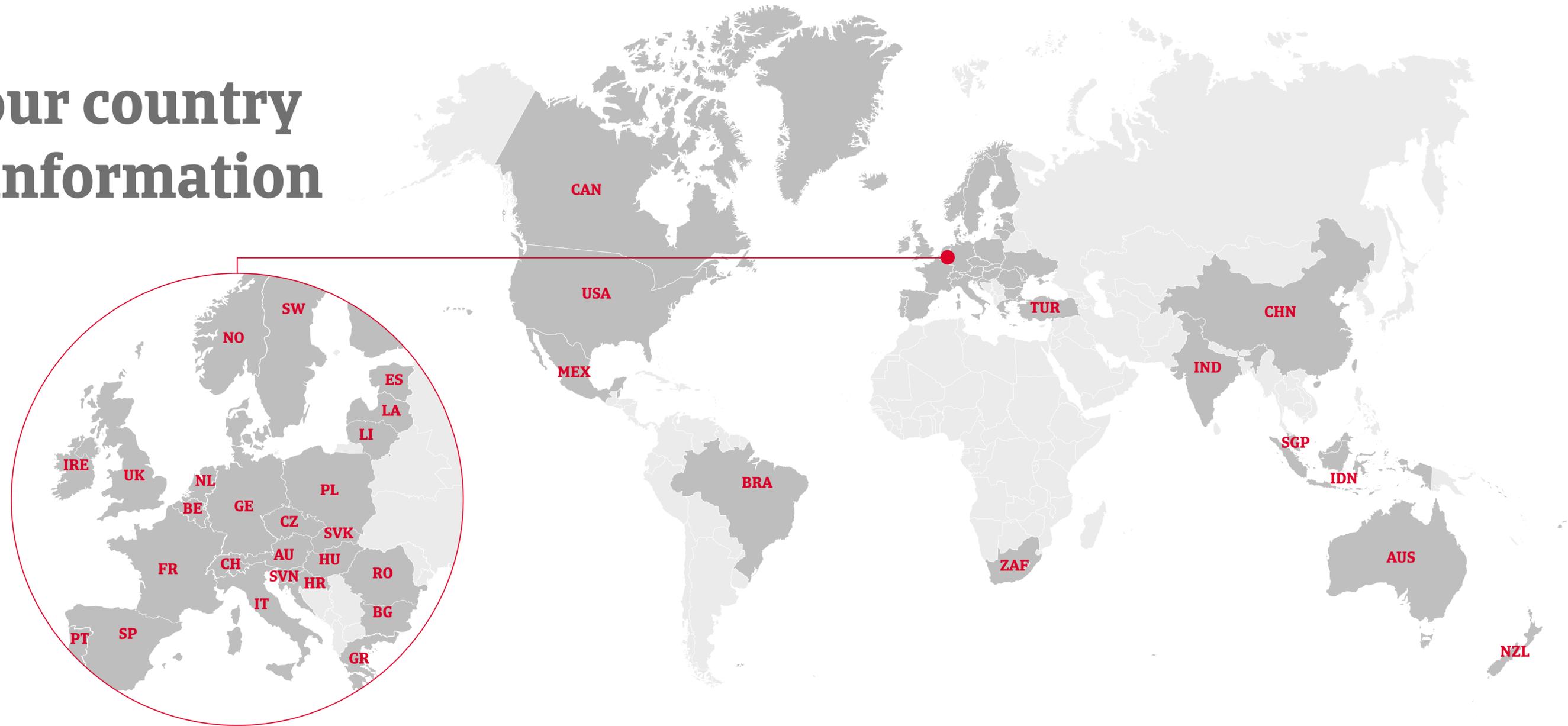
## **North America**

USA

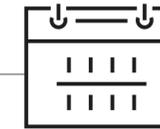
## **South America**

Brazil

Mexico



# Australia

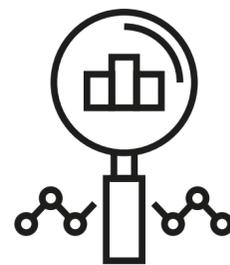


## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participants are the Administrator, Receiver and Liquidator. In Australia, they are liable for any post-appointment debt. They manage the company in Administration and are personally liable for debts incurred in the Administration. On this basis, Atradius is able to provide the insureds with trade credit insurance cover on the buyer whilst in Administration due to this personal liability.

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Debt restructuring proceedings may result in some higher recoveries if there is a new investor, available funding and/or reasons of entering any proceedings cease to exist.



May result in

**some higher recoveries**

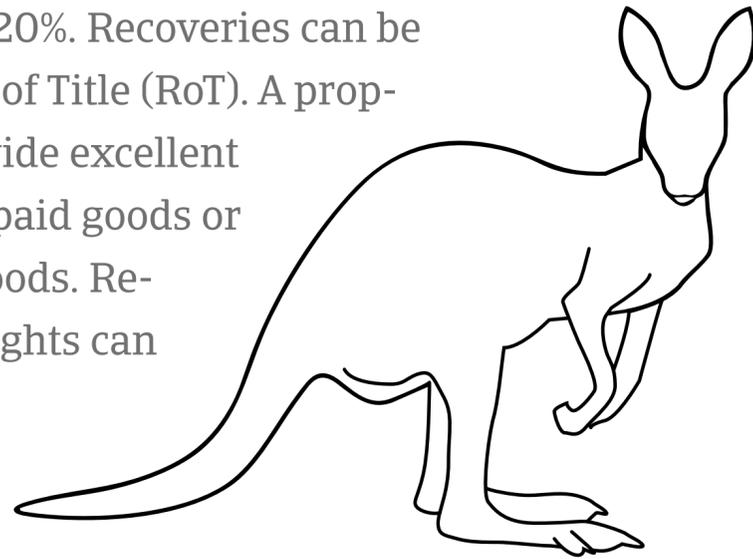
## How long do insolvency proceedings in our countries typically last?

The proceedings usually take a few months but can run into years too, depending upon the type of insolvency proceedings (Receivership, Administration to Liquidation). Shorter Administrations are where a buyer is sold early and the buyer is relatively quickly out of Administration. Larger companies and more complex situations take longer, running into many years.

# Australia

## What do the recovery chances for creditors in insolvency proceedings look like?

Recovery chances for unsecured creditors are through dividends: via a DOCA (Deed of Company Arrangement) or Liquidation. A DOCA is where an offer is made for the whole or parts of the business and such transaction usually results in a higher dividend for unsecured creditors than in a Liquidation. Dividends are generally low with Liquidation being less than 10% and with DOCA less than 20%. Recoveries can be higher if security is held, e.g. Retention of Title (RoT). A properly registered RoT agreement can provide excellent recovery opportunities in respect of unpaid goods or the proceeds of sales of those unpaid goods. Recoveries from properly exercised RoT rights can be anywhere from 10 to 100%.



**we advise,  
we utilise our network,  
we support the  
Administration**

## How do we support our customers during insolvency proceedings?

We advise our insureds on the buyer status, insolvency proceedings and actions that need to be taken to minimize losses, preserving rights and maximize any potential recoveries. Additionally, we utilise our network of professional and expert insolvency lawyers to achieve this when necessary. We also support the Administration through insuring further supply during the Administration.

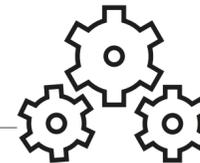
# Austria

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Allowing for a discrete and flexible way of handling matters, out-of-court restructurings are quite frequent in Austria. If court support is needed, restructuring proceedings with/without self-administration are a proven tool. With regard to the 2021 newly implemented restructuring proceedings pursuant to the Restructuring Act (ReO) allowing for preventive restructurings, it remains to be seen how the new proceedings are accepted.

## How do we support our customers during insolvency proceedings?

Atradius can assist in advising and filing of the outstanding debt to the administrator, and will often also monitor the development of the estate, and ensure that proceeds are being paid out in accordance with the result of the proceedings.



## What do the recovery chances for creditors in insolvency proceedings look like?

Restructuring proceedings represent a chance for creditors to receive higher quotas of 20-30% within the next 2 years, compared to long-lasting bankruptcy proceedings that often result in smaller quotas of 10-15%.



Restructuring proceedings

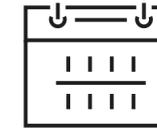
**can represent  
a chance** for creditors

# Austria



## Who are the most important participants in insolvency proceedings in terms of our daily business?

In insolvency proceedings, the key figure is the insolvency administrator who is appointed by the court. The administrator either supervises the managers or takes over the power of representation of the debtor to run or dispose of the business. Moreover, creditors' committees are of particular importance representing the interests of creditors/groups of creditors in the proceedings. They enjoy some special privileges, support the insolvency courts and facilitate negotiations by bundling creditor opinions.



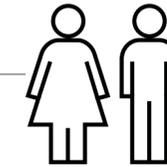
A bankruptcy can last more than

# 10 years

## How long do insolvency proceedings in our countries typically last?

Restructuring proceedings (with or without self-administration) are based on the legal condition of a repayment of the quota within 2 years. If the debtor fails to fulfil the plan, or the plan is not approved, bankruptcy proceedings will be initiated and the company will be liquidated. In case of bankruptcy proceedings, the duration is depending on the complexity of the case and can last more than 10 years.

# Belgium

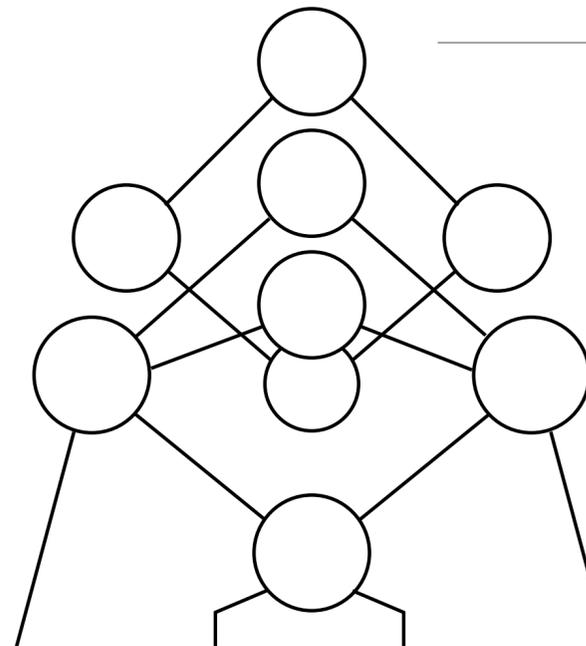


## What do the recovery chances for creditors in insolvency proceedings look like?

In a composition of payment “type 1 and 2” procedure, the debtor is obliged to pay a minimum of 20% of the accepted debts. The maximum amount that can be foreseen is the full head sum with interest, but this rarely occurs. The re-payments can be spread over a period of 3 to 5 years. In a composition of payment “type 3” procedure, no minimum of re-payment has been foreseen in the law. In this kind of procedure a legal mandatary will be appointed by the court who will try to find a candidate for the acquisition of a part or of the whole company. In the end, the debtor will be declared bankrupt. The best chances for recovery in a bankruptcy procedure are if the claims of our customers can be accepted as a privileged debt. This can be achieved by retention of title or by a direct action to the prime contractor.

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important figure in insolvency proceedings is the administrator who handles the insolvency and is supervised by the delegated judge. In a bankruptcy procedure, the key figure is the appointed trustee.



## How long do insolvency proceedings in our countries typically last?

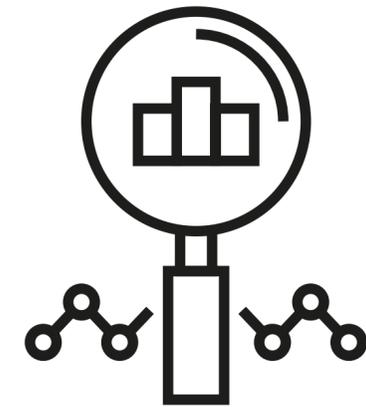
This depends on the kind of insolvency procedure the debtor applied for. The duration of a Belgian composition of payment procedure is between 3 to 5 years. A bankruptcy procedure can last more than 20 years.

# Belgium

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

A reorganization in a composition of payment “type 1 and 2” procedure is a simple approach for the most SME’s or bigger companies to reduce debts and facilitate a relaunch. However, we often see that debtors apply much too late for it, with the outcome that they go finally into bankruptcy after all.



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**we take all  
the necessary  
actions** to minimize the losses  
of our customers



## **How do we support our customers during insolvency proceedings?**

In every different kind of an insolvency in Belgium or Luxembourg, we take all the necessary actions to minimize the losses of our customers as much as possible. In this respect, we advise them in advance to obtain an express agreement to the retention of title clause from their customers. They should not hesitate to seek legal advice on that in order to ensure recoveries out of retention of title rights. Our customers should contact us if they receive any documents regarding to their Belgian customers’ insolvency proceedings.

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# Brazil

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

The Brazilian market typically offers three different restructuring/insolvency proceedings: Bankruptcy, Judicial Recovery and Extra Judicial Recovery. In a Bankruptcy scenario, the insolvent company usually discontinues its operations and the Judicial Administrator liquidates the company's assets, often resulting in minimal, if any, recovery for unsecured creditors. The Judicial Recovery has a relatively low success rate, but if successful, usually provides some recovery following a sizeable haircut and a lengthy pay out plan. In an Extra Judicial Recovery, the insolvent company reaches an agreement with its creditors to settle outstanding debt, which is then filed with the court for validation, but no court-supervised proceedings are initiated.



## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

Key participants in Brazilian Judicial Recovery proceedings are the Judicial Administrator and the Creditor's Committee. The Judicial Administrator is appointed by the court to oversee the proceedings and ensure compliance with the approved reorganization plan. The Creditors' Committee is usually a group representing the interest of all creditors, often involved in negotiating and approving reorganization plans.

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**The Christ Statue** is the largest Art Deco statue in the world and is located south of the city center on the 710 meter high Corcovado Mountain.

# Brazil

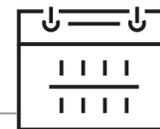


## What do the recovery chances for creditors in insolvency proceedings look like?

Judicial Recovery eventually face bankruptcy and liquidation. Additionally, creditors are divided into different classes such as secured and unsecured creditors, labor creditors and micro and small creditors which ultimately affects their ranking and recovery chances. Even if a company is successfully reorganized under Judicial Recovery proceedings, our policyholders, who are typically unsecured creditors, usually rank low in class and face substantial haircuts to the original debt, averaging around 70%.

## How long do insolvency proceedings in our countries typically last?

The duration of Judicial Recovery proceedings can vary based on the company's size, the complexity of the case and market conditions. Typically, these proceedings last up to 2 years under direct court supervision. If the court-approved reorganization is successful, it is followed by several years of ongoing pre-petition debt repayments.



Insolvencies  
typically last up to

**2 years**

## How do we support our customers during insolvency proceedings?

Atradius assists its customers by advising them on properly filing outstanding debts with the courts and Judicial Administrators. Additionally, we provide guidance on the approval or rejection of judicial recovery plans. We also monitor the implementation of reorganization plans to ensure that proceeds are distributed as approved by the courts.

# Bulgaria



## What do the recovery chances for creditors in insolvency proceedings look like?

In Bulgaria employees, the state and secured creditors have priority before “ordinary” creditors (suppliers). Recovery prospects depend on the individual case, but usually are much higher for secured creditors, while the proceeds to normal creditors are minimal, if any.



The Alexander Nevsky Cathedral was called the Cathedral of Saint Cyril and Methodius from 1916 to 1920, but was then reverted to its old name.

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

We do not have specific experience so far in debt restructuring proceedings as there were no such proceedings in the past.

## How long do insolvency proceedings in our countries typically last?

The duration of insolvency proceedings can vary depending on the size of the company and the complexity of the case. Large and complicated cases with a vast number of parties involved may take significantly longer, ranging from 5 up to 10 years while simple cases could be solved within 1-2 years.

# Bulgaria

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## Who are the most important participants in insolvency proceedings in terms of our daily business?

In insolvency proceedings, the primary participants of utmost significance are the creditors and the appointed bankruptcy administrator who acts on behalf of the creditors and is responsible for ensuring the best possible outcome for them.

The **administrator**

is the key figure

**but also the creditors**



**we can assist in advising  
and filing of the outstanding debt**

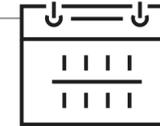
to the administrator

## How do we support our customers during insolvency proceedings?

Atradius can assist in advising and filing of the outstanding debt to the administrator, and also monitor the development of the case, and ensure that proceeds are being paid out in accordance with the result of the proceedings.

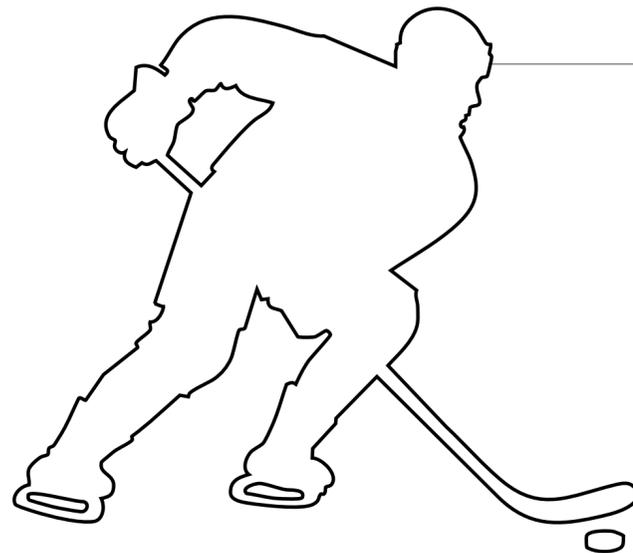
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# Canada



## How long do insolvency proceedings in our countries typically last?

The duration is based on several factors, including the complexity, size of the company and the type of insolvency procedure involved: Corporate Bankruptcy is a legal process under the Bankruptcy and Insolvency Act (BIA) where a corporation that is unable to pay its debts seeks relief from its financial obligations. A Licensed Insolvency Trustee will liquidate the company's assets to repay creditors. These proceedings often take several years to fully resolve, depending on the legal complexities, the number of creditors involved and the assets to be liquidated. Companies' Creditors Arrangement Act (CCAA) is used by insolvent companies that owe creditors more than \$5 million to restructure their debts and avoid liquidation. The goal is to allow companies time to reorganize their finances while maintaining operations. This can last from a few months to several years. There is no standard timeframe for the duration of CCAA proceedings.



## How do we support our customers during insolvency proceedings?

We can assist in sharing knowledge and expertise on all the necessary procedures for the recognition of our customer's claims in the insolvency proceedings. Atradius often monitors the developments to ensure that proceeds are being paid out in accordance with the results of the proceedings. Atradius Collections can file the case and monitor the proceedings for a fee.

In Canada's biggest sport **Ice Hockey**, pucks can reach speeds of 170 km/h when hit, causing serious injuries.

# Canada

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Debt restructuring in Canada aims to balance the interests of the company, its employees, creditors and other stakeholders to achieve a resolution that avoids the more severe consequences of bankruptcy. After secured and preferred creditors have been paid, the general unsecured creditors are paid on a pro rata basis. The exact recovery is difficult to predict and depends on the remaining value of the assets, the size and nature of secured claims, the company's operational status, legal and administrative expenses and priority claims.

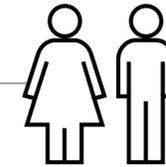
## What do the recovery chances for creditors in insolvency proceedings look like?

The likelihood and extent of recovery for creditors in insolvency proceedings are greatly influenced by their classification (secured, unsecured or priority) and the specific financial and operational conditions of the debtor. In general, recovery prospects for unsecured debt are limited.



The chances of recovery

**are limited**



## Who are the most important participants in insolvency proceedings in terms of our daily business?

The Licensed Insolvency Trustee (LIT) is the key figure in insolvency proceedings in Canada. The LIT plays a central role in administering and resolving insolvency processes. Under the BIA, the LIT acts as an impartial intermediary between the debtor and the creditors, ensuring that the process is conducted fairly and in accordance with the law. In Companies' Creditors Arrangement Act (CCAA) proceedings, the LIT is appointed as the monitor, assisting in preparing the restructuring plan and drafting regular update reports to the court, creditors and the public.

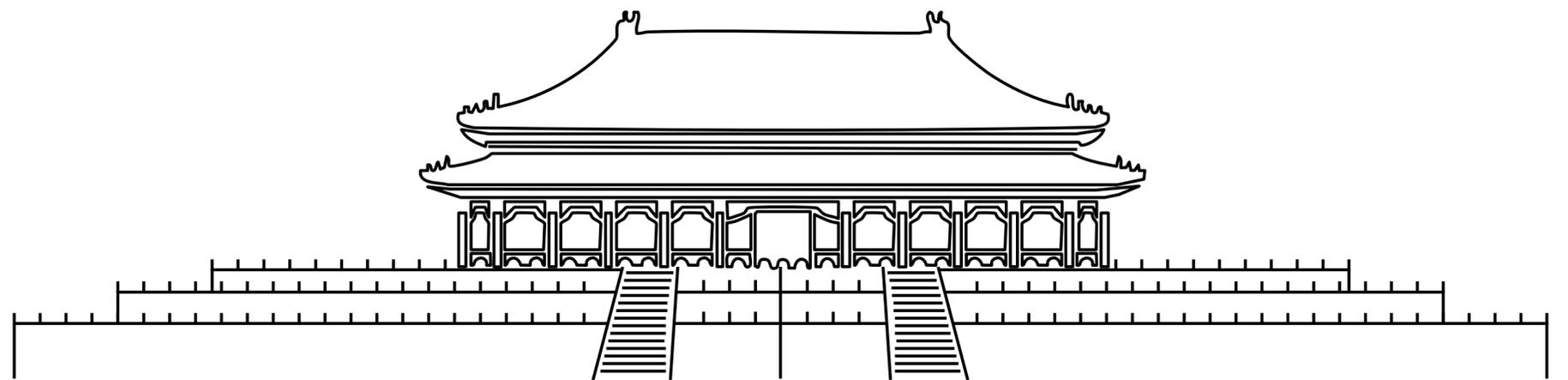
# China

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Our experience indicates that debt restructuring proceedings in China can be effective in allowing debtors to continue their business operations while addressing their debt issues. Substantive consolidation in corporate group bankruptcy, known as „企业实质合并重整“ in Chinese, refers to a legal procedure where the assets and liabilities of multiple entities within a corporate group are combined and treated as a single entity for the purpose of bankruptcy proceedings. This is an increasingly relevant topic in the context of insolvency law, especially when dealing with corporate groups.

## What do the recovery chances for creditors in insolvency proceedings look like?

The recovery chances for unsecured creditors in Chinese insolvency proceedings are influenced by several factors, particularly the availability of assets and the order of priority for claims. Unsecured creditors generally rank at the end of the liquidation sequence after bankruptcy liquidation expenses, taxes, debtor's employee salaries, secured claims and other unsecured claims with priority. From our experience, the dividend to be paid to unsecured creditors is likely to be less than 10% of debt amount.

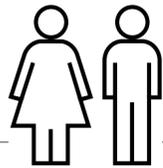


The largest palace complex in the world is the **Forbidden City in Beijing**, China. Covering over 180 hectares and containing over 980 buildings, it served as an imperial palace for nearly 500 years.

# China

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The bankruptcy administrator and the lawyers representing the insured or the credit insurer (in terms of subrogation) could be the most important participants for insolvency proceedings.



**The bankruptcy administrator and the lawyers** are the most important participants

## How long do insolvency proceedings in our countries typically last?

The duration of insolvency proceedings in China can vary significantly depending on the complexity of the case and the specific procedures involved (i.e. restructuring or liquidation). Generally, in practice, the process can last from several months to a few years.

## How do we support our customers during insolvency proceedings?

We advise our insureds on the buyer status, insolvency proceedings and actions that need to be taken to minimize losses, preserving rights and maximize any potential recoveries. We utilise our network of professional and expert insolvency lawyers to achieve this when necessary. Atradius will give advice about voting on debtor's proposals during the procedure to achieve the best outcome.

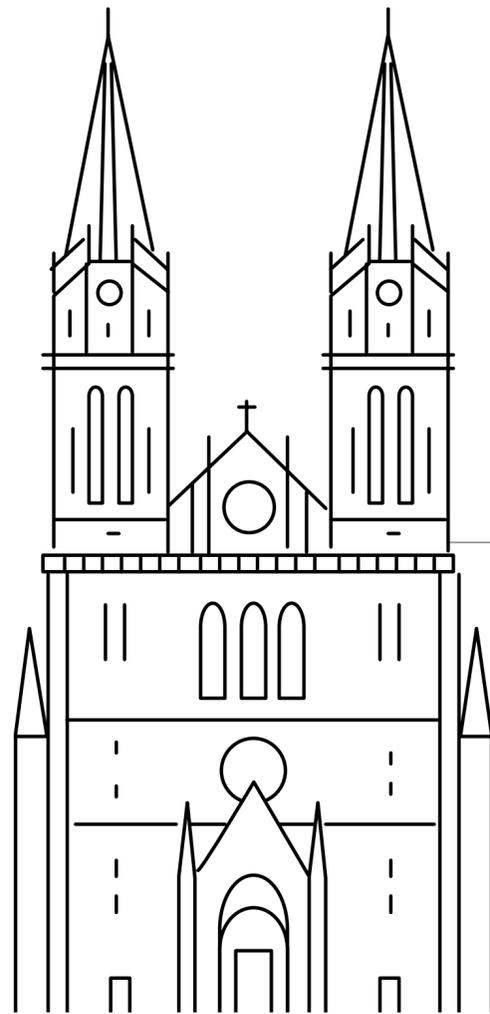


**We advise our insureds**

# Croatia

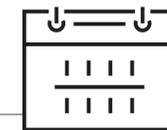
## Who are the most important participants in insolvency proceedings in terms of our daily business?

In the majority of cases, the most important participant is the insolvency administrator who manages the insolvency proceedings. Depending on the type of insolvency proceedings, other important participants are the board of major creditors or the debtor himself.



## How long do insolvency proceedings in our countries typically last?

Generally, the duration of insolvency proceedings depends on the size of the company and the complexity of the case. Small insolvencies can be wound up within 1 to 2 years, larger proceedings can take up to 10 years.



Large Insolvencies can take up to **10 years**

## What do the recovery chances for creditors in insolvency proceedings look like?

This depends on the specific case, but normally chances for recovery are very low. In most bankruptcy cases, the quota is very small, from 0,5% and very rarely over 10%.

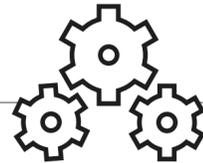
Zagreb Cathedral, also known as Zagreb Cathedral, with its two towers visible from afar, is one of the tallest buildings in Croatia.

# Croatia

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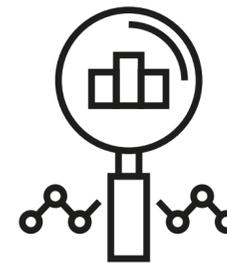
## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Most restructuring proceedings tend to end up in a bankruptcy procedure. If restructuring proceedings are not supported by the majority of creditors, in most cases bankruptcy procedure will follow.



## Most restructuring proceedings tend to end up in a

# bankruptcy procedure



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## How do we support our customers during insolvency proceedings?

In cooperation with our collection partner, we support customers by lodging the claims, voting on customer's behalf in case of reconstruction proceedings, providing the customer with an official list of acknowledged claims, filing an appeal or a lawsuit in case the claim was disputed in the list of acknowledged claims, by monitoring the insolvency register and reporting to the customer about relevant developments and payments of quota.

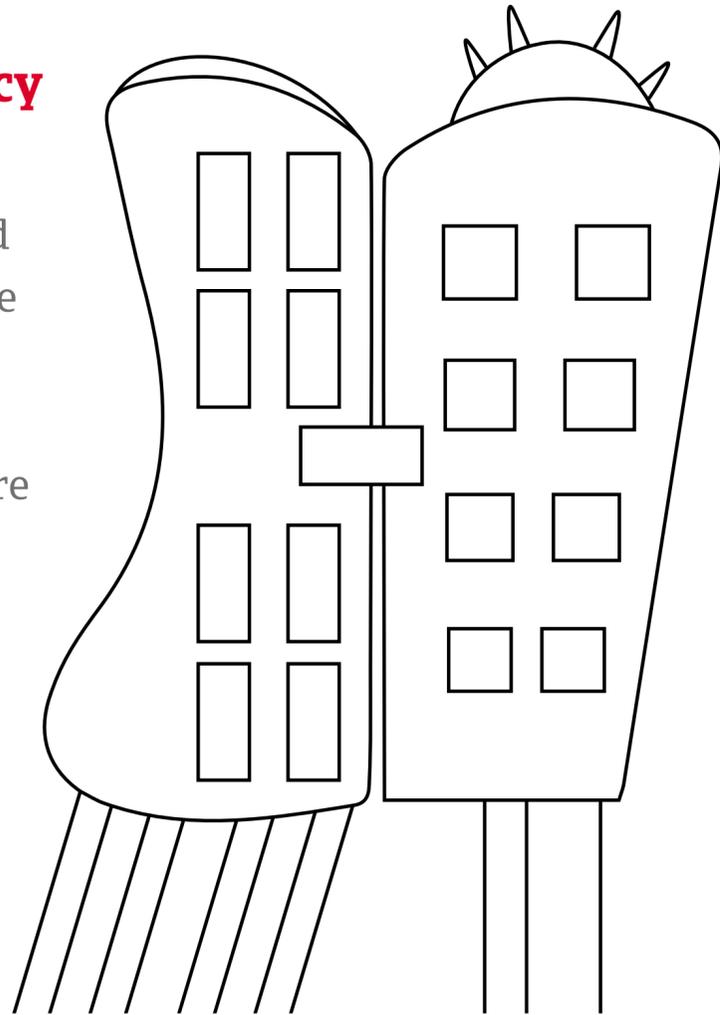
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# Czech Republic

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## How do we support our customers during insolvency proceedings?

Atradius can assist in advising and filing of the outstanding debt to the administrator, and will often also monitor the development of the estate, and ensure that proceeds are being paid out in accordance with the result of the proceedings.



## What do the recovery chances for creditors in insolvency proceedings look like?

The claims of normal (unsecured) creditors are ranked low on the priority list and therefore recovery chances are normally very small (one-digit range), if any. The chances are higher in cases in which there are not so high debts to banks or state and debtor has some valuable assets in the balance sheet.

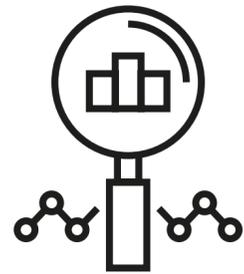
**normal creditors  
are ranked low**



## How long do insolvency proceedings in our countries typically last?

This depends on the size of the company and the complexity of the case. Typical insolvency proceedings may last around 5 years.

# Czech Republic



## high risk

that debtor is not able to fulfill its obligations

### What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

The restructuring proceedings (reorganization) are not very usual and may be granted for larger companies (annual turnover exceeding CZK 50 million or more than 50 employees). There is still high risk that debtor is not able to fulfill its obligations from the reorganization plan and case turns into bankruptcy at the end. Preventive restructuring, a very new and less informal procedure for debtors in the Czech Republic to avoid insolvency, is available only since September 2023.

### Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participant in insolvency proceedings is the administrator. His main mission is to monetize the estate and satisfy the creditors to highest possible level (according to insolvency rules). The administrator is supervised by the insolvency court and (in bigger cases) by the creditors' committee which is required to support and monitor the administrator's execution of office.

## The administrator

is the most important participant



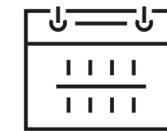
# Denmark

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important stakeholder in an insolvency proceeding is considered to be the administrator, since the administrator's task is to ensure the best possible outcome for the creditors. However, the creditors also play a role, since they have the ability in an engaged way to influence the efforts of the administrator.

## How long do insolvency proceedings in our countries typically last?

This depends on the size of the company and the complexity of the case. A reconstruction phase has a time limit of 1 year, but runs for typically 5-7 month. A large bankruptcy can last from 5-10 years, whilst the smaller ones usually last 1-5 years.



**1-5 years**

small bankruptcy proceeding

**5-10 years**

large bankruptcy proceeding



**salaries** have  
**priority**

## What do the recovery chances for creditors in insolvency proceedings look like?

This depends on the size of the company and the proceeds of the estate. In Denmark, there is a prioritized order in which the proceeds of the estate are being distributed. Typically salaries have priority before "normal" creditors (suppliers). The proceeds to normal creditors is normally very low, if any.

# Denmark

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## **How do we support our customers during insolvency proceedings?**

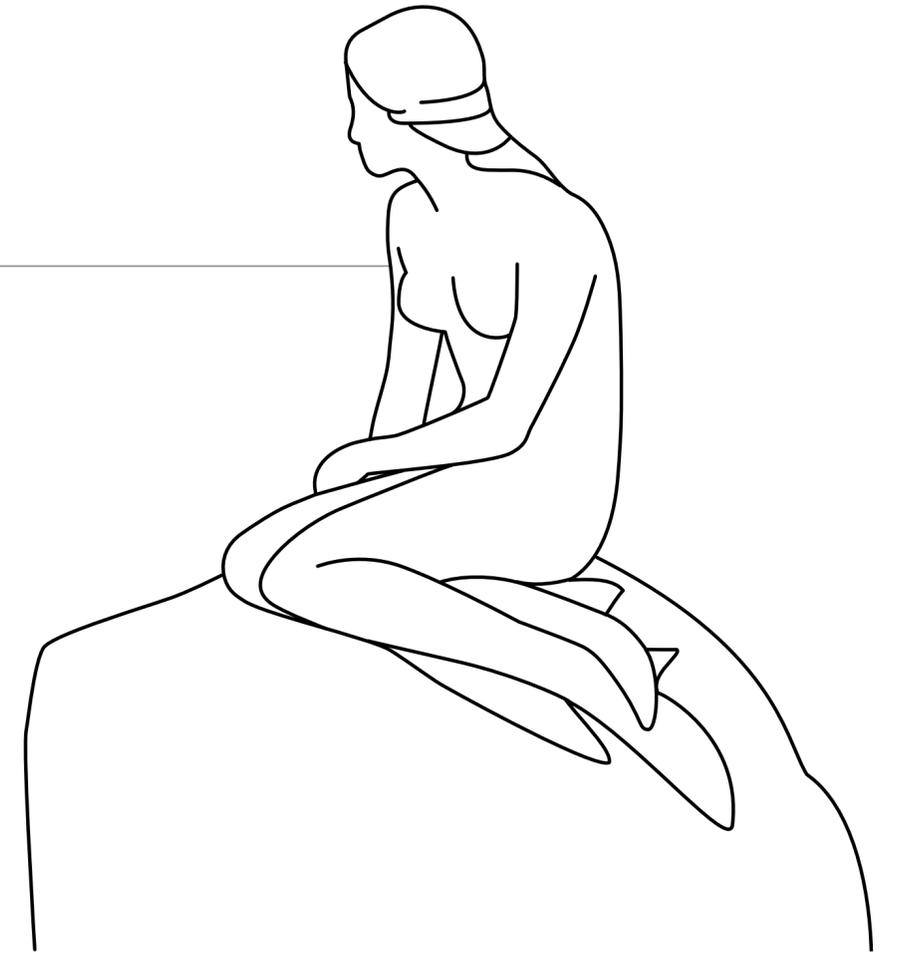
Atradius can assist in advising and filing of the outstanding debt to the administrator, and will often also monitor the development of the estate, and ensure that proceeds are being paid out in accordance with the result of the proceedings.

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

If a company has filed for a restructuring process, and the creditors do not accept the proposed plan, the company will automatically go into bankruptcy proceedings. It is more or less up to the creditors to decide upon a proposal from the restructured company, and since a bankruptcy must be expected to be more costly, the restructuring should be considered as to be more favorable. With the recent change concerning the ease to enter into a restructuring process, it should be expected that more companies will choose this way in time, hence giving better chances for a successful restructuring process.

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**Danish national symbol**, the little mermaid statue on Copenhagens waterfront.

# Estonia

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The key figure is the administrator, known as well as the trustee. He is being supervised by the court. The management board, under the supervision of the reorganization adviser, takes the lead in the restructuring process.

## The **administrator**

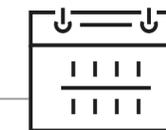
is the key figure



## How long do insolvency proceedings in our countries typically last?

The duration of bankruptcy proceedings in Estonia depends on the size of the company and the complexity of the case. However, bankruptcy proceedings last a minimum 2 years. After this term, the trustee has to submit reasoning for exceeding the term every 6 months. The average de facto duration is 3 to 6 years for bankruptcy and 5 years for reorganization.

**min. 2 years**



depends on the size of the company

## What do the recovery chances for creditors in insolvency proceedings look like?

The recovery amount for creditors depends on the specific case, but typically unsecured creditors receive less than 20% of their original claim amount. Secured creditors can expect to recover 40-50%.

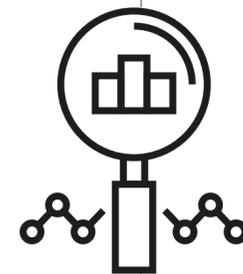
# Estonia

## How do we support our customers during insolvency proceedings?

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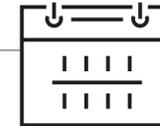
Part of the UNESCO World Heritage, in Tallinn's Old Town the oldest buildings and streets date back to the 11th century.



## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

If a company has filed for a restructuring process, and the creditors do not accept the proposed plan, the company will automatically go into bankruptcy proceedings. It is more or less up to the creditors to decide upon a proposal from the restructured company, and since bankruptcy must be expected to be more costly, the restructuring should be considered as to be more favourable. Typically secured creditors (e.g. banks) play the main role when deciding if the restructuring or bankruptcy process will be started.

# Finland



## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

In bankruptcies, the estate administrator is considered to be the most important participant. The estate administrator acts as the representative of the bankruptcy estate and acts for the benefit of creditors. The creditors exercise oversight of the estate administrators' activities at creditors' meetings, where the estate administrator acts as chairman. In larger bankruptcy cases, the creditors may appoint a creditors' committee that supervises and assists the estate administrator. The creditors' committee is generally mandatory in large bankruptcies. In restructuring proceedings, the administrator is considered the key player. The administrator liaises with creditors during the preparation of the restructuring programme in order to ensure that its proposal will gain sufficient support from the creditors.

## **How long do insolvency proceedings in our countries typically last?**

The duration of insolvency proceedings varies strongly from case to case and depends on various factors, e.g. company size and number of creditors. There are no official statistics on the actual duration of bankruptcies but it can be estimated that an average full-scale bankruptcy procedure takes 2-5 years, while a restructuring program lasts 5-10 years. The early corporate restructuring process is still new so there is no data available on the average length but in connection with the process, a collection, guarantee and payment prohibition can be imposed for 3-12 months.

## **How do we support our customers during insolvency proceedings?**

Our customers usually use external collection agencies for their Finnish buyers and update us about the situation. In some bigger cases, we have been part of the creditor's committee but our possibility to influence the decisions has been very limited.

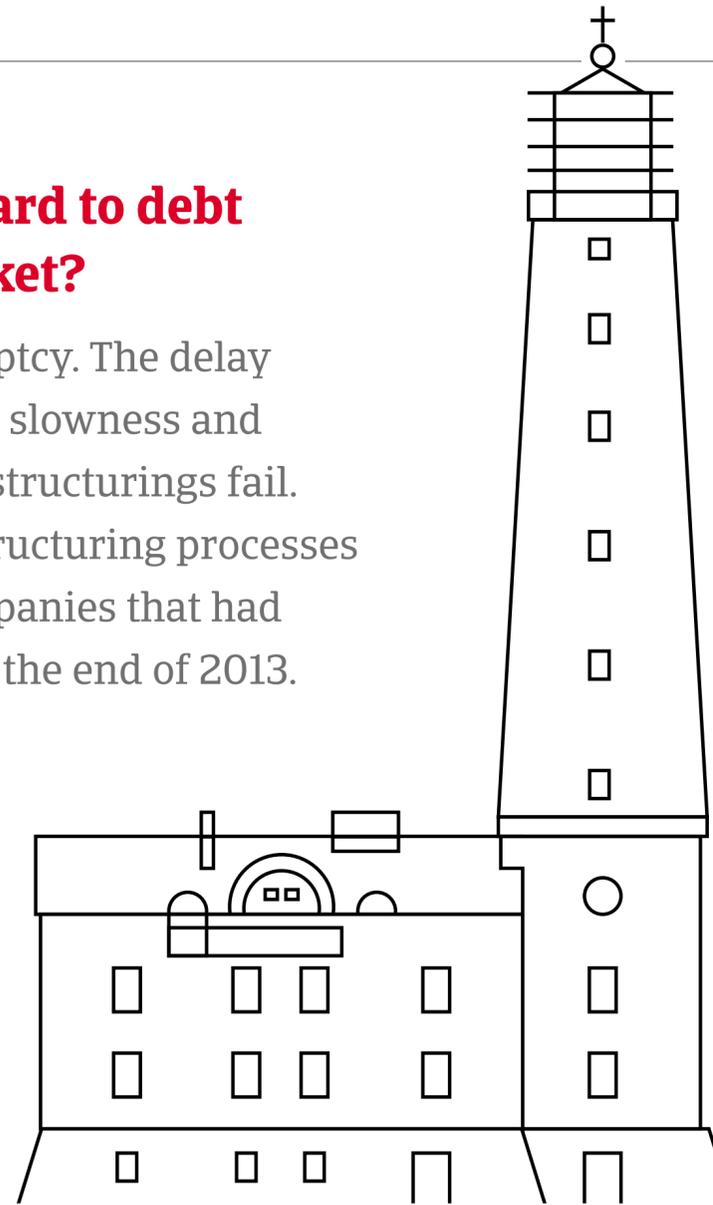
# Finland

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

The majority of debt restructurings lead eventually to bankruptcy. The delay in applying for restructuring, combined with the burden, cost, slowness and complexity of the process, leads to the fact that most of the restructurings fail. There are no official statistics available for the success of restructuring processes but according to a dissertation from 2018, 77% of Finnish companies that had entered restructuring in 2001-2002 had ceased operations by the end of 2013. With the new early corporate restructuring launched in 2022, it is expected that restructuring will lead to bankruptcies less often meaning a higher recovery rate for Atradius. Customers are often requesting limits for companies in debt restructuring. In Finland, it is possible to reconsider limits for companies in debt restructuring only after we have been able to review the next audited year-end figures.

## What do the recovery chances for creditors in insolvency proceedings look like?

The recovery rates in insolvency proceedings can vary widely. In Finland, the average recovery rate in bankruptcies is less than 10% while the recovery rates vary strongly in restructuring. Debt haircuts and extension of repayment schedules are generally the main tools of restructuring, and it is common for haircuts of unsecured debts to be in the region of 60% or more. Creditors' claims are ranked in the insolvency proceedings with secured creditors having the highest priority and subordinated creditors having the lowest priority.



52 meters above sea level, Bengtskär lighthouse is the tallest in the Nordic countries.

# France

## What do the recovery chances for creditors in insolvency proceedings look like?

This will depend on several factors: the sector of activity of the insolvent company, its financial situation, the quality of the creditor and the type of proceedings opened. In insolvency proceedings, creditors receive full payment of the claim over 11 years with an annual payment; creditors sometimes can accept a faster payment in return for a waiver of the claim amount. In large-scale proceedings, the court can now impose this waiver on creditors. In bankruptcy proceedings, the chances of recovery are extremely low. For suppliers, the retention of title clause enforcement is an effective way to obtain advance payment of the claim. In general, the more security the creditor has, the better the chances are of being paid.

## Who are the most important participants in insolvency proceedings in terms of our daily business?

In France, there are three major participants involved in the insolvency process. The first is the “Administrateur Judiciaire” who assists the insolvent company in its management during the procedure and in the construction of the insolvency plan. They are also responsible for answering retention of title clause requests. The second participant is the “Mandataire Judiciaire” who establishes the final amount of the debts of the insolvent company. They receive claim declarations from the creditors, may dispute their claims, and receive the creditor’s answers to the insolvency plan. In bankruptcy proceedings, there is only one actor: the liquidator. The third participant is the “Juge Commissaire” who is a judge appointed by the commercial court to ensure that the procedure runs correctly.



Part of the UNESCO World Heritage Site, The paintings in the Lascaux Caves, which are 38,000 to 21,000 years old.

# France

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

Restructuring proceedings have existed in France for many years but are not widely used. The legislator is trying to make them more attractive, but they are still not used enough and/or are initiated too late with regard to the debtors' difficulties. Moreover, these proceedings - which are confidential - are most often limited to bank creditors and do not affect the payment of supplier claims, except for key suppliers.

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## **How long do insolvency proceedings in our countries typically last?**

This will depend on the complexity of the case and the nature of the proceedings. For insolvency proceedings, the procedure will last a maximum of 12 years. There are two stages: the first stage, known as the "observation period", will last between 12 and 18 months; then, in second stage, the court will agree an insolvency plan that may last up to 11 years. For bankruptcy proceedings, it can last from 1 to 10 years. Creditors may receive partial payments only at the end of the procedure.

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## **How do we support our customers during insolvency proceedings?**

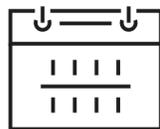
We fully support our policyholders throughout the insolvency proceedings by taking all necessary steps on their behalf to obtain payment of their claims and reduce the loss as much as possible (claim declaration, retention of title clause enforcement, claim dispute, answers to insolvency plan proposals). We also advise our policyholders in advance to enable them to have a legally enforceable retention of title clause. In this respect, we advise them to obtain an express agreement to the retention of title clause from their customers and to check that any contract signed with their customers does not exclude the application of the clause. Our policyholders should contact us if they receive any documents regarding to their French customers' insolvency proceedings.

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# Germany

## How do we support our customers during insolvency proceedings?

Atradius will support customers in taking the necessary steps to minimize losses. In many cases, we try to initiate a so-called “suppliers’ pool” in order to improve our policyholders’ position in the proceedings and to successfully enforce retention of title rights. In bigger cases, we are often appointed to a member of the creditors’ committee which allows us to closely monitor the development of the proceedings and ensure the best possible outcome for our customers.



## 5-10 years

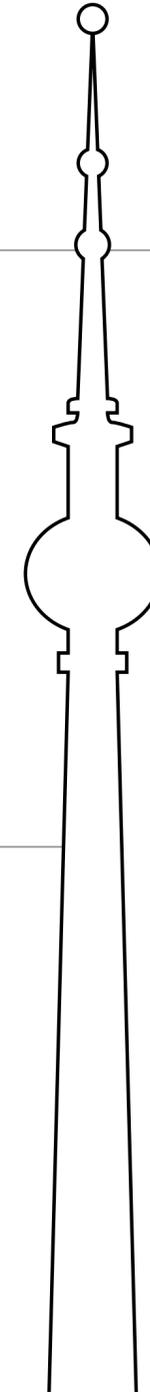
Regular insolvency proceeding

## How long do insolvency proceedings in our countries typically last?

The duration mainly depends on the complexity of the case and the specific kind of proceedings: Regular insolvency proceedings may last 5 to 10 years. Self-administration proceedings, in which the debtor is in the lead and entitled to manage his assets, often last (only) 6 to 12 months.

## What do the recovery chances for creditors in insolvency proceedings look like?

Recovery prospects depend on the individual case and are very sector-specific. In general, the normal insolvency quota is on average in the one-digit range. However, secured creditors, in particular suppliers having upfront agreed on comprehensive retention of title rights, have priority and often end up with recoveries in the amount of approx 40% of the original claim.

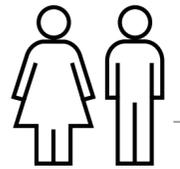


# Germany

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## Who are the most important participants in insolvency proceedings in terms of our daily business?

In regular insolvency proceedings, the administrator is the key figure as he manages the company and takes the operational decisions. The administrator is supervised by the insolvency court and (in bigger cases) by the creditors' committee which is required to support and monitor the administrator's execution of office. Moreover, it has a say in important transactions such as the sale of the enterprise or parts of it.



## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Since  
**2021**

Restructuring possible at an  
early stage

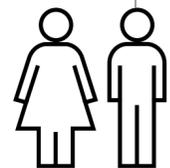
An out-of-court-restructuring in agreement with all creditors is often the best solution for all stakeholders as it avoids costly and lengthy insolvency proceedings with uncertain outcome. Since 2021, the Corporate Stabilisation and Restructuring Act (StaRUG) enables restructurings at an early stage on the basis of a restructuring plan approved by a majority of creditors. It is a debtor-driven procedure that offers much flexibility (e.g. affected creditors, moratorium, public or confidential procedure pp.). However, the focus of StaRUG in practice lies on financial restructurings without affecting the operational business such as the contractual relationship to suppliers.

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# Greece

## Who are the most important participants in insolvency proceedings in terms of our daily business?

In insolvency proceedings, the primary participants of utmost significance are the creditors and the appointed bankruptcy administrator. The court is responsible for ratifying the potential agreement/settlement. In out-of-court procedures, the debtor plays a crucial role as well.



**the creditors & the bankruptcy administrator**

are the most important participants

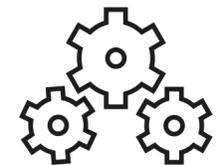


## What do the recovery chances for creditors in insolvency proceedings look like?

Due to the recent implementation of the new Insolvency Code in 2021, no sufficient experience is available so far. In the past, the proceedings proved to be unpopular and recovery chances were minimal. Under the new proceedings, recovery chances tend to increase. Secured and unsecured creditors are treated in separate classes. Claims from secured creditors rank higher than those from the unsecured ones.

## How do we support our customers during insolvency proceedings?

Atradius can assist in advising and monitoring the development of the estate. We ensure that proceeds are being paid out in accordance with the result of the proceedings.



Supports through:

**advising,  
monitoring**

# Greece

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

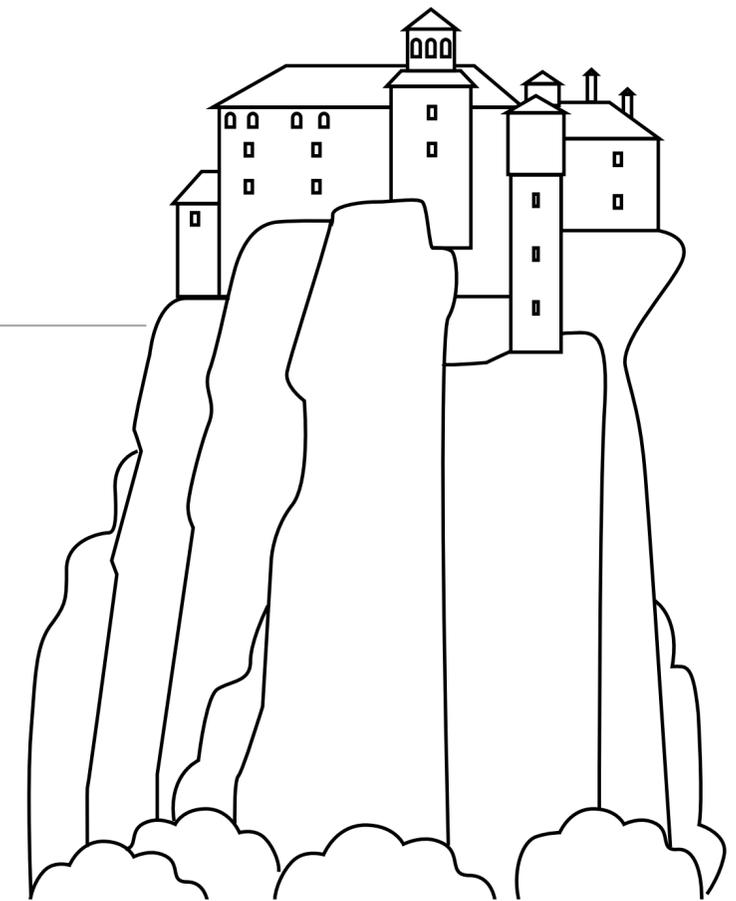
With the implementation of the new Insolvency Code, restructuring proceedings are expected to be simpler for all parties and less time consuming. Out-of-court procedures (with electronic platform/digital registry) are promoted. Number of cases will be higher, however with more positive and clear outcome for the participants.

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## **How long do insolvency proceedings in our countries typically last?**

The duration of insolvency proceedings can vary depending on the specific type of proceedings. Pre-insolvency or restructuring proceedings, such as out-of-court workouts and rehabilitation proceedings, typically last from 3 to 9 months. On the other hand, bankruptcy proceedings, which involve liquidation, can last significantly longer, ranging from 18 months up to 5 years. It is important to note that the length of insolvency proceedings can be affected by various factors, such as the complexity of the case and the number of parties involved.

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A UNESCO World Heritage Site, the floating monasteries of Meteora.

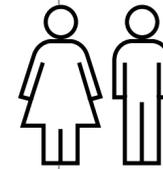
# Hungary

## How long do insolvency proceedings in our countries typically last?

The duration of insolvency proceedings in Hungary depends on the size of the company and the complexity of the case. A typical insolvency procedure will often last several years until it is finished.

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

There is a bankruptcy procedure which aim is to recover the ordinary course of business, achieving a settlement between a financially troubled business entity and its creditors by granting a temporary relief (payment moratorium) for its financial obligations and enabling a reorganization. Furthermore, the debtor has the possibility to make a full and final settlement proposal within the insolvency procedure which the majority of the creditors who will need to accept. However, these restructuring options are not very common.



## the insolvency administrator

is the most important participant

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participant in insolvency proceedings is the insolvency administrator who takes over the management of the debtor's assets under control of the insolvency court. He is responsible for the dissolution of the insolvent business entity and the distribution of its assets to the creditors. Creditors may form a creditors' committee (or instead appoint a creditors' representative) for the protection of their interests and to monitor the activities of the administrator.

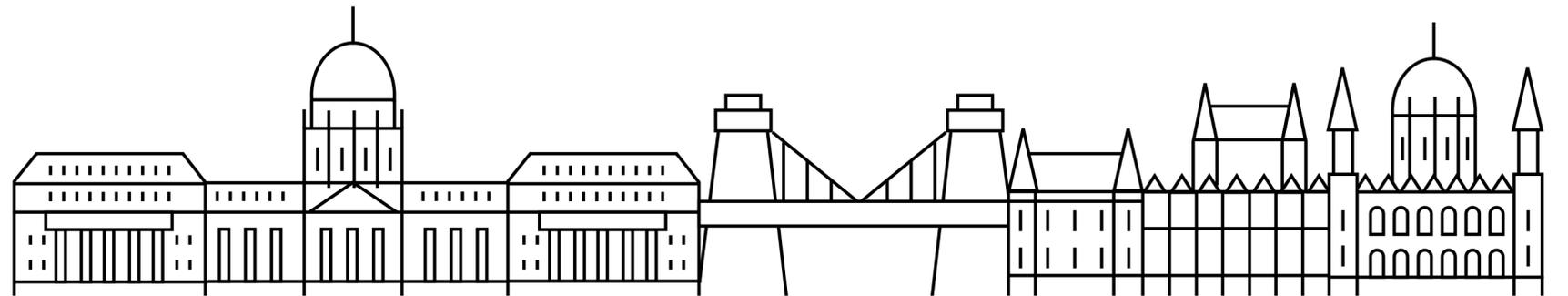
# Hungary

## What do the recovery chances for creditors in insolvency proceedings look like?

The likelihood of recovery for creditors in insolvency proceedings depends on a variety of factors, including the financial situation of the debtor and the position of the creditor in the line of priority. Creditors are ranked in categories from A to H. Unsecured creditors are placed in category F, basically at the end of the ranking. Even if the company has assets or money left, in most of the cases there are creditors secured by mortgages, and all categories between A-E (banks, employees, authorities) have to be paid out in full before unsecured creditors can receive any payment. Hence, the statistical chance for recoveries regarding unsecured claims is usually low.

## How do we support our customers during insolvency proceedings?

Atradius monitors the proceedings with all available information. The Hungarian Team maintains a professional collections process, focusing on the relationships between partners and their debtors at all times. Our specialists carry out the collections process in-house, contacting debtors both verbally and in writing whilst adhering to all laws and legislations. In case of any dispute, they aim to reach an amicable solution by analyzing all the contractual documents (e.g. signed contracts, orders, confirmations, invoices, delivery notes, as well as all standard terms that have been agreed to). All investigations are completed and agreed by the assistance of our legal team.

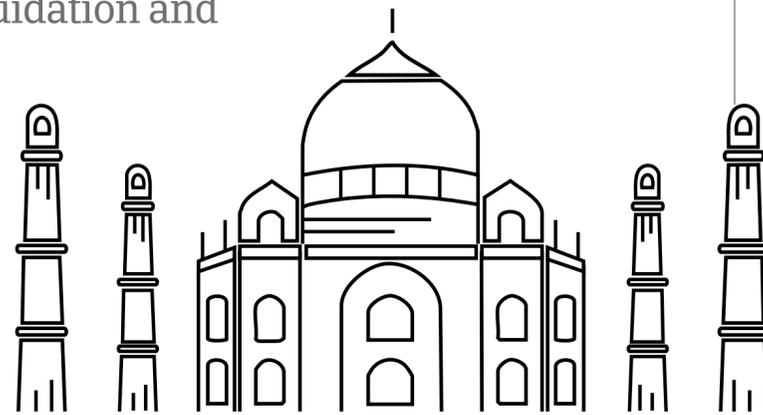


**The capital Budapest received its current name in 1873**, it was created by the merger of the three cities of Buda and Óbuda on the western side of the Danube and Pest on the eastern side.

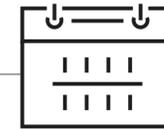
# India

## What do the recovery chances for creditors in insolvency proceedings look like?

The IBC effectively encourages debtors to settle dues to avoid losing control of their company. This often leads to settlement agreements. However, if a corporate debtor undergoes the Corporate Insolvency Resolution Process, creditors typically face significant losses. As of August 2023 (study by Indian Institute of Management Ahmedabad), Financial Creditors recover an average of 38.5% and Operational Creditors recover 23.8%. If the resolution process fails, the debtor enters liquidation where recoveries are typically low. Dues owed to creditors then follow the waterfall mechanism set out in the IBC which favours Financial Creditors. We have seen a debtor sold during liquidation and good recoveries have been made, but this is rare. In the financial year 2022–2023, average recoveries from liquidation were 8.6% of claim value, with Operational Creditors facing higher losses due to asset values often falling below market value.



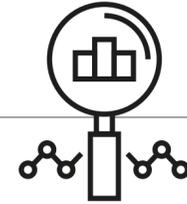
The **Taj Mahal** is considered a symbol of love as it was built in 1631 by the Mughal ruler Shah Jahan in memory of his late wife.



## How long do insolvency proceedings in our countries typically last?

The Insolvency and Bankruptcy Code 2016 (IBC) provides that an application for initiation of Corporate Insolvency Resolution Process filed by either a Financial Creditor or Operational Creditor should be decided by the Adjudicating Authority within a period of 14 days. These timelines are however not mandatory, and in our experience, it can take up to 18–22 months for the application to be decided in the first instance. Thereafter, the IBC provides for a maximum period of 330 days to complete the Corporate Insolvency Resolution Process. The Supreme Court of India has however held that the 330-day period can be extended if there are “exceptional circumstances”, for example if the resolution process is in final stages of conclusion. Overall it can take 4-5 years for such process to be completed.

# India



## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

An out-of-court-restructuring agreement is often the best solution for all stakeholders as it avoids costly and lengthy court proceedings and litigation uncertainty. A formal restructuring process is primarily driven by Financial Creditors via the Committee of Creditors, with Operational Creditors excluded from this committee. Based on our experience, resolution plans approved often favour Financial Creditors and Operational Creditors have to face a substantial haircut. Given the poor outcome for Operational Creditors it is highly recommended to involve our Special Risk Management team early so we can attempt to negotiate security as part of ongoing trade or reach agreement with the debtor prior to a formal restructuring process.

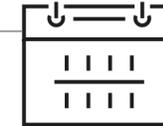
## **How do we support our customers during insolvency proceedings?**

We can assist with utilising our network of legal professionals, in advising and filing of the outstanding debt in the administration, protecting any rights you may have and monitoring the developments in the insolvency to ensure that proceeds are being paid out in accordance with the legislation and your rights.

## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

The various stakeholders involved in the insolvency process are: the Financial and Operational Creditors (Trade Creditors), Resolution Professional (akin to an administrator who manages the affairs of the Corporate Debtor), the Committee of Creditors (comprising of Financial Creditors) which supervises the resolution process and takes important decisions, the Promoters (erstwhile Directors of the Corporate Debtor) and the successful Resolution Applicant (the company/individual who eventually acquires the company and sets of its debts).

# Indonesia

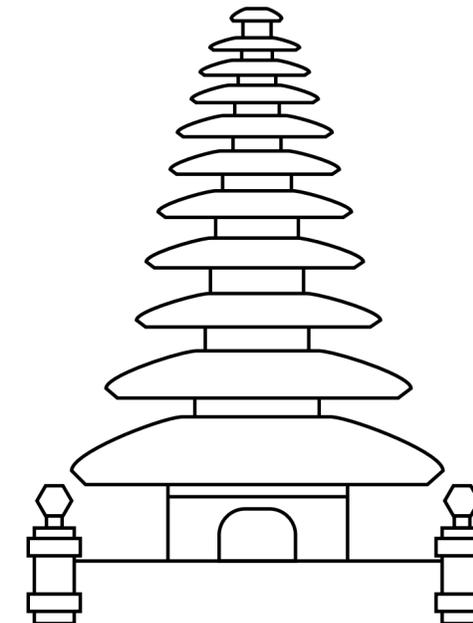


## How long do insolvency proceedings in our countries typically last?

PKPU proceedings (a debtor-in-possession restructuring process akin to Chapter 11 in US) could be completed within 360 days, but we have seen it extended to 48 months where the debts are significant. The period of an approved composition repayment plan could be different. Our experience is that it is longer for financial creditors, but shorter for supplier creditors. With any default at enforcing the composition repayment plan, a cancellation petition can be filed. The time period for a court to render a decision is 60 days. The length of liquidation period is different from case to case, but usually over years.

## What do the recovery chances for creditors in insolvency proceedings look like?

In our experience, the recovery for important or prioritised creditors is high, while secured creditors' returns are dependent on the value of assets and cashflow of the restructured company. The recovery chances for unsecured creditors depend on the assets owned by the debtor, with unsecured creditors ranked last in the line following preferential (employees) and secured creditors. Thus, technically unsecured creditors will only receive repayments if there are any assets left after all the preferential and secured creditors have been paid.

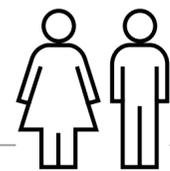


**The Pura Ulun Danu Bratan temple** is located in the center of Bali, at an altitude of 1200 m on Lake Bratan, the lake is a former crater from a volcano that has filled with water and is considered sacred.

# Indonesia

## Who are the most important participants in insolvency proceedings in terms of our daily business?

Creditors are the most important participants in insolvency proceedings, especially secured creditors, e.g. financial institutions. Insolvency practitioner and lawyers for creditors are also important participants.



## Creditors

are the most important participants

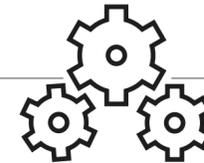
## How do we support our customers during insolvency proceedings?

We advise our insureds on the buyer status and whether PKPU is available and pursuable. Additionally, we advise on actions that need to be taken to minimize losses, preserving rights and maximize any potential recoveries. We utilise our network of professional and expert insolvency lawyers to achieve this when necessary. We also support the administration through insuring further supply during the administration to potentially reduce losses further.

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

The primary goal with debt restructuring is to ensure recovery and secure a definite resolution for the debtor's obligations. Without these proceedings, the resolution of debts tends to be unclear and uncertain. On the other hand, engaging in debt restructuring provides a clear, structured process that facilitates negotiation and leads to agreed-upon terms for resolving debts. This approach not only supports the debtor's financial recovery but also protects creditors' rights and interest.

# Ireland



## Who are the most important participants in insolvency proceedings in terms of our daily business?

The Examiner is likely to be the key figure as they manage the company and make the operational decisions, while a buyer is sought for the business.

## How long do insolvency proceedings in our countries typically last?

It depends of the type of insolvency with SCARP lasting up to 70 days, Examinerships lasting up to 100 day while other types of insolvencies can last between 1 and 5 years.

## How do we support our customers during insolvency proceedings?

Close cooperation with insolvency practitioners gives us notice of insolvencies as they happen. We can advise customers on debt registration, assist in enforcing Retention of Title claims, request stock lists and in some cases, act on customers behalf in dealing with the Examiner.

We also track when dividends from the estate are paid and we offer policy support for issues surrounding policy elements like Pre Credit Risk, Binding Contracts Cover & Continuation of Cover.



# Ireland



## **What do the recovery chances for creditors in insolvency proceedings look like?**

This is very varied and highly dependent on the type of sector involved, how much leverage we collectively have (as we often act in the interests of more than one insured) and the type of insolvency. Recoveries may include, but is not limited to: Retention of Title claims, salvage for goods where costs have been incurred (Pre credit Risk), dividends from an Examinership or SCARP process where a company continues to trade after restructuring its debts or dividends to creditors from a liquidated business.

We can advise on steps our customers can take before an insolvency takes place to put them in the best position they possibly can be should an insolvency occur.



## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

Much of this depends on the type of insolvency we are looking at and how much leverage we have in the process. Our experience shows that an insolvent business which continues to trade via the Examinership or SCARP (Small Companies Administrative Rescue Process) can receive significant protection from the Courts as it looks to restructure its debts and balance sheet. There is a high rate of companies (up to 50%) which go through this process successfully restructuring and continuing to trade although the dividends to unsecured creditors is very low. We also see similar kinds of agreements reached in other territories which can impact on an Irish subsidiary (i.e. Chapter 11 in the USA).

# Italy

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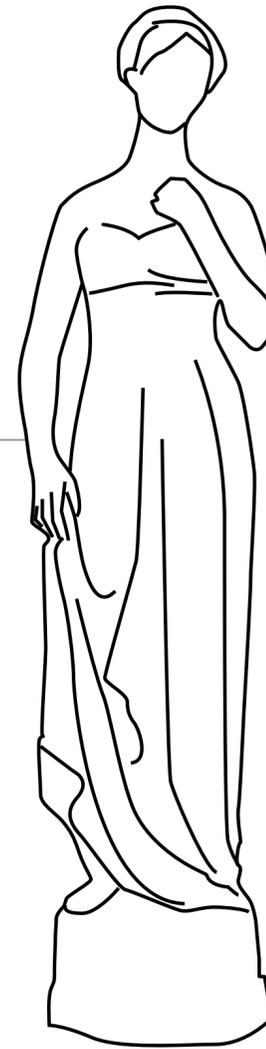
## **How long do insolvency proceedings in our countries typically last?**

Generally, the duration of insolvency proceedings depends on the specific kind of proceedings (with liquidation of assets or continuation of business), the complexity, the location of the company and the type of assets, if any. Typically, the older insolvency proceedings last more than 10 to 15 years, the younger ones 3 to 10 years.

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## **How do we support our customers during insolvency proceedings?**

Atradius supports customers in advising, providing the best instructions to file the outstanding debt and obtain the full acknowledgement in the insolvency proceedings. Furthermore, Atradius helps with monitoring the evolution of asset liquidation or the continuation of business according to the insolvency program. This ensures that any expected dividends are actually paid and any conditions to reclaim the value added tax from fiscal authorities are achieved, if applicable.



## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

The key figure is the administrator (trustee or judicial liquidator) who manages the insolvency proceedings, administers the estate and takes any action necessary to wind it up and increase the satisfaction of all creditors, whenever possible. The administrator acts under the supervision of the court and one or more official receivers in case of arrangement with creditors.

# Italy

## What do the recovery chances for creditors in insolvency proceedings look like?

The recovery chances mainly depend on the ratio between the company's total value and the creditors' total volume of receivables (in particular the value of the preferential claims that are fully paid before the other ones). The recovery rate could be also influenced by the specific type of the insolvency proceedings. Generally, the arrangement with creditors involves less expenses and depreciation of assets than the judicial liquidation. In many cases, the recovery rate is higher than 25%, thanks also to the contribution given by the recovery of the value added tax from fiscal authorities.

## The arrangement with creditors



involves less expenses and depreciation of assets than the judicial liquidation



## A negotiated composition of the crisis

could be considered the preferred solution

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

A negotiated composition of the crisis with a debt restructuring could be considered the preferred solution, with the aim of ensuring the continuation of business. This out-of-court agreement is managed by an expert with maximum flexibility (moratorium, repayment plans, full and final settlements, new contracts) and lasts no more than 1 year. The advantage consists of minimum costs and greater perspectives of recovery in a limited period of time.

# Latvia

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

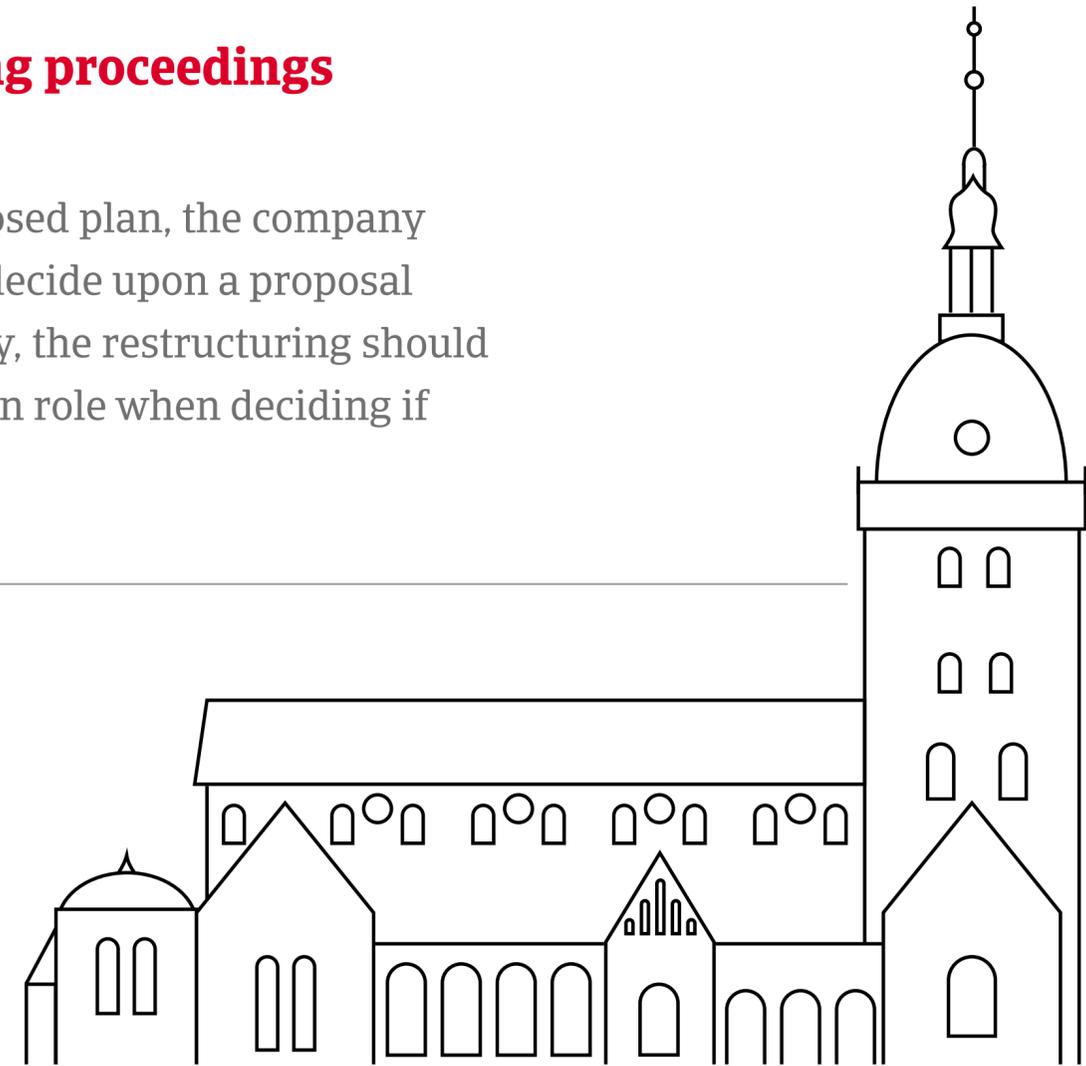
If a company has filed for a restructuring process, and the creditors do not accept the proposed plan, the company will automatically go into bankruptcy proceedings. It is more or less up to the creditors to decide upon a proposal from the restructured company, and since a bankruptcy must be expected to be more costly, the restructuring should be considered as to be more favorable. Typically secured creditors (e.g. banks) play the main role when deciding if the restructuring or bankruptcy process will be started.

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## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

The most important stakeholder in an insolvency proceeding is considered to be the administrator under control of creditors' committee, while the supervisor chosen by the debtor and approved by the court leads restructuring proceedings.

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Houses one of the world's most valuable historic organs, the Riga Cathedral.

# Latvia

## How long do insolvency proceedings in our countries typically last?

The duration of the proceedings depends on the size of the company and the complexity of the case. Maximum 3 years for implementation of approved reconstruction measures are available. A large bankruptcy can last from 3-5 years, whilst the smaller ones usually last 6 months to 1 year.

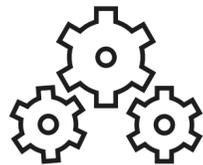
## What do the recovery chances for creditors in insolvency proceedings look like?

It differs very much from case to case, but normally chances for recovery are very low – up to 10%. The recovery amounts could be higher if proceedings started in early stage of financial difficulties and the company still have some valuable assets in the balance sheet.



chances are low  
up to **10%**

Supports through:



**advising, representing,  
knowledge**

## How do we support our customers during insolvency proceedings?

Atradius supports basically through advising, representing and sharing its knowledge and expertise. We also mostly monitor these kinds of proceedings in order to secure the best position possible for our customers.

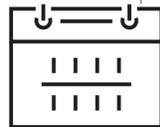
# Lithuania

## How long do insolvency proceedings in our countries typically last?

This depends on the size of the company and the complexity of the case. A reconstruction process has a time limit of 4 years, but could be extended for 1 more year. A large bankruptcy can last up to 5 years or rarely even longer, whilst the smaller ones usually last up to 2 years.

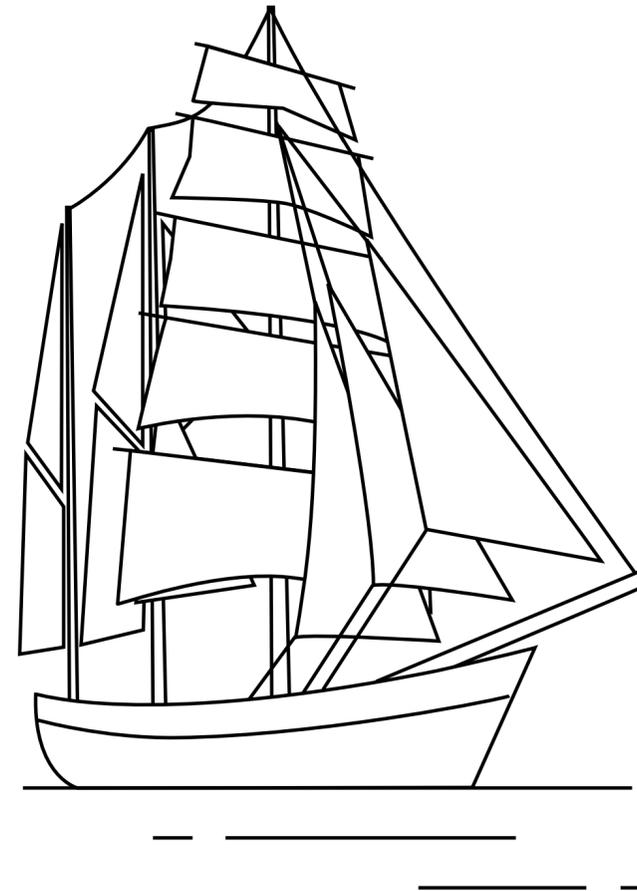
## depends on the size of the company

and the complexity of the case



## What do the recovery chances for creditors in insolvency proceedings look like?

In Lithuania, there is a prioritized order in which the recovered amounts are being distributed. Typically employees, the state and secured creditors have priority before “ordinary” creditors (suppliers). Recovery prospects depend on the individual case, but statistics show secured creditors could expect recovery of around 50%, while the proceeds to normal creditors are just ~3%, if any.

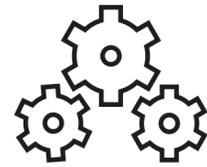


## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participant in an insolvency proceeding is the insolvency administrator, who operates under supervision of the court and creditors’ committee. His main role is to find the best way of recovering money for the creditors, give proposals to the creditors’ committee, and supervise the activity of the company if it continues operations or monetizes assets if it stops.

# Lithuania

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Supports through:

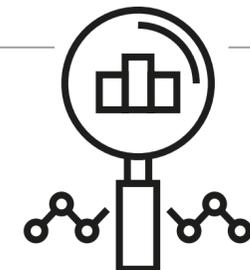
**advising, monitoring,  
provide  
recommendations**

## **How do we support our customers during insolvency proceedings?**

Atradius can assist in advising and filing of the outstanding debt to the administrator, and will often also monitor the development of the estate, and ensure that proceeds are being paid out in accordance with the result of the proceedings. We are ready to provide recommendations regarding voting in creditors' committee as well if needed by customer.

## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

Several years ago, we saw that restructuring process in Lithuania was used only as for winning extra time for debtor's management/shareholders, but finally still was ending as bankruptcy. However, restructuring process has improved over the years and there are more successful restructuring cases, thus very often we recommend to support the process. Definitely, it is important to evaluate restructuring plans critically and determine if a quicker bankruptcy is better than a long and too optimistic restructuring process.

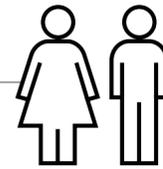


**evaluate restructuring  
plans critically**

and determine if a quicker bankruptcy is better

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# Mexico



## several key participants

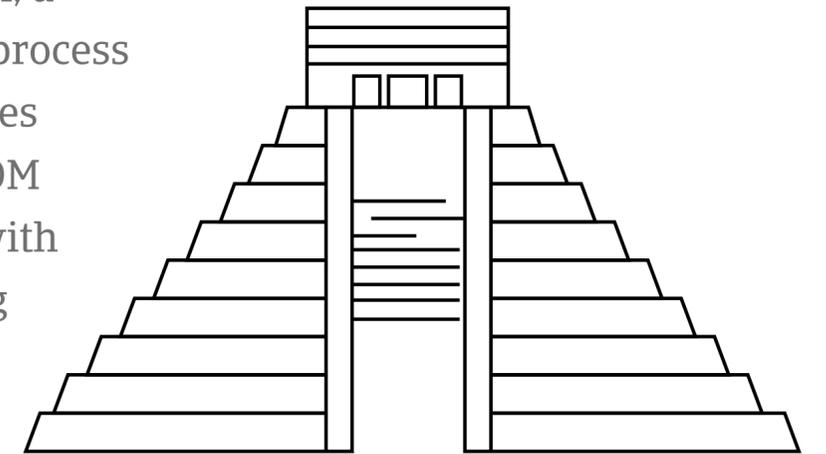
play crucial roles

### How do we support our customers during insolvency proceedings?

Our assistance to customers typically involves advising them on their legal rights and obligations. We start by confirming the buyer's bankruptcy status through official sources. If the debtor has not formally commenced insolvency proceedings, we facilitate out-of-court restructuring arrangements to help avoid formal proceedings. We also assist with necessary documentation and liaise with specialist lawyers to ensure our customers are recognized in the insolvency process. Additionally, we determine if there are goods in transit or immediate service obligations and whether further legal action is needed to protect our customers' interests. Legal counsel is crucial in navigating the "Concurso Mercantil," ensuring our customers understand the process and can recover as much as possible from the insolvency.

### Who are the most important participants in insolvency proceedings in terms of our daily business?

In Mexican insolvency proceedings, several key participants play crucial roles. An examiner (Visitador) is appointed by the court to assess the company's financial situation and determine the necessity of the Concurso Mercantil. If the debtor fails to provide the required documentation, the process moves to the conciliation phase where a conciliator (Conciliador) facilitates negotiations for a restructuring plan. If these efforts fail, a trustee (Síndico) oversees the liquidation process including the debtor's assets. Federal judges and the Mexican insolvency agency IFECOM manage oversight, ensuring compliance with legal standards and approving or rejecting restructuring plans.



# Mexico



## **What do the recovery chances for creditors in insolvency proceedings look like?**

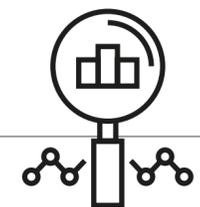
Recovery rates for creditors are typically low. Under the Ley de Concursos Mercantiles (LCM), creditors' claims are prioritised based on their classification such as secured or unsecured. In practice, recovery prospects are limited, especially for unsecured creditors, as asset liquidation often results in insufficient funds to satisfy all claims. It is important to note that the primary objective of Mexican insolvency law is to preserve the business entity which can significantly extend the timeframe for creditor recovery. However, in cases of pre-packaged restructuring (Concurso Mercantil Preacordado), recovery rates tend to be higher.

## **How long do insolvency proceedings in our countries typically last?**

In practice, the duration of insolvency proceedings in Mexico can vary significantly depending on the complexity of the case and the cooperation of the parties involved. Generally, a Concurso Mercantil can last anywhere from several months to a few years. However, in the context of a Concurso Mercantil Preacordado (pre-packaged restructuring), the timeline can be more favorable compared to traditional proceedings. This process allows the debtor to negotiate terms with creditors before formally entering Concurso Mercantil, potentially expediting the timeline for reaching an agreement.

## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

Based on our experience with Concurso Mercantil proceedings, along with insights from other participants in the Mexican market, recovery rates are typically low, especially for smaller companies. An out-of-court debt restructuring agreement with all creditors is often the most effective solution for all stakeholders. These out-of-court restructurings can sometimes lead to a pre-packaged Concurso Mercantil which generally has a higher likelihood of achieving at least partial success compared to lengthy traditional insolvency proceedings with uncertain outcomes.

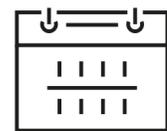


# New Zealand

## How long do insolvency proceedings in our countries typically last?

The proceedings usually take a few months but can run into years too, depending upon the type of insolvency proceedings (Receivership, Administration to Liquidation). Shorter Administrations are where a buyer is sold early and the buyer is relatively quickly out of Administration. Larger companies and more complex situations take longer, running into many years.

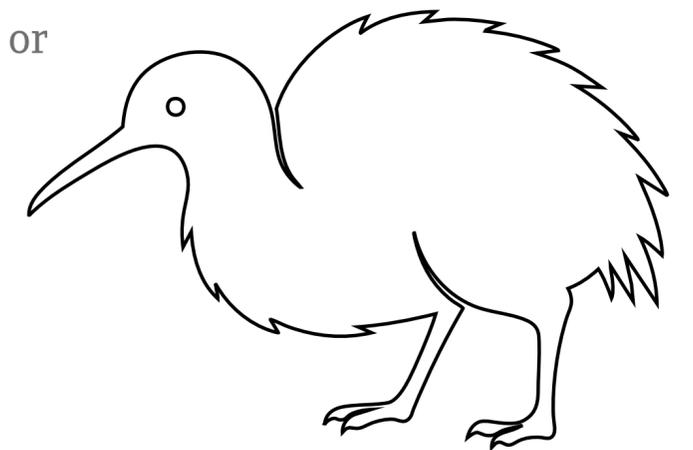
usually take  
a few months



**but can run  
into years too**

## What do the recovery chances for creditors in insolvency proceedings look like?

Recovery chances for unsecured creditors are through dividends: via a Voluntary Administration (VA) or Liquidation. A VA is where an offer is made for the whole or parts of the business and such transaction usually results in a higher dividend for unsecured creditors than in a Liquidation. Dividends are generally low with Liquidation being less than 10% and with VA less than 20%. Recoveries can be higher if security is held, e.g. Retention of Title (RoT). A properly registered RoT agreement can provide excellent recovery opportunities in respect of unpaid goods or the proceeds of sales of those unpaid goods. Recoveries from properly exercised RoT rights can be anywhere from 10 to 100%.

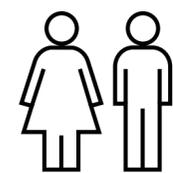


New Zealand's national bird, the kiwi is the only bird in the world that have nostrils at the tip of their beaks, which allow them to smell food in foliage and even underground.

# New Zealand

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participants are the Administrator, Receiver and Liquidator. In New Zealand, they are liable for any post-appointment debt. They manage the company in Administration and are personally liable for debts incurred in the Administration. On this basis, Atradius is able to provide the insureds with trade credit insurance cover on the buyer whilst in Administration due to this personal liability.

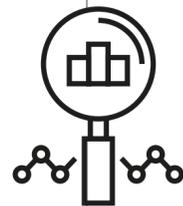


### **the Administrator, Receiver and Liquidator**

are the most important participants

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Debt restructuring proceedings may result in some higher recoveries if there is a new investor, available funding and/or reasons of entering any proceedings cease to exist.



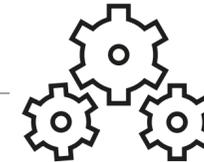
May result in

## **some higher recoveries**

## How do we support our customers during insolvency proceedings?

We advise our insureds on the buyer status, insolvency proceedings and actions that need to be taken to minimize losses, preserving rights and maximize any potential recoveries. Additionally, we utilise our network of professional and expert insolvency lawyers to achieve this when necessary. We also support the Administration through insuring further supply during the Administration.

# Norway



## How long do insolvency proceedings in our countries typically last?

This depends on the size of the company and the complexity of the insolvency proceedings. A large bankruptcy can last from 3 to 8 years, whilst smaller ones usually last from 1 to 3 years.



**1.700 named fjords**, along the 57.000 km long Norwegian coast.

## How do we support our customers during insolvency proceedings?

Atradius can advise on how to file the outstanding debt to the administrator. We will also do our best to answer any questions our customers have regarding the proceedings. Where the administrator publishes documents on their website we can also monitor the development of the proceedings.

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The key stakeholder is the administrator of the insolvency estate. This is a lawyer who is in charge of ensuring the best possible outcome for the creditors. The creditors can also play a role, particularly if the insolvent company is involved in disputes.

# Norway

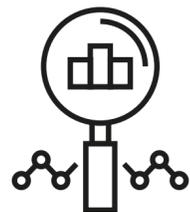
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## What do the recovery chances for creditors in insolvency proceedings look like?

In Norway, there is a prioritized order in which any proceeds of the estate are distributed. Unpaid salaries hold the highest priority, then secured debts and lastly unsecured or “simple” debts. Recovery chances are usually low. Supplier debt is considered as “simple” or unsecured and there are rarely any dividends for this part of the debt. In cases where there is a dividend for simple creditors, the amount is quite low.



**Recovery chances are  
usually low**



**Up to the**

**creditors**

to decide upon a proposal from the  
company in reconstruction

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

If the reconstruction proceedings are not finalized within 6 months (can be extended) or the creditors do not accept the proposed plan, the court will declare the company bankrupt. It is more or less up to the creditors to decide upon a proposal from the company in reconstruction. A bankruptcy is expected to be more costly and to yield fewer dividends, hence a reconstruction should be considered to be more favorable.

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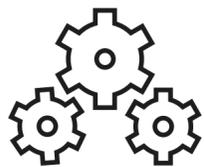
# Poland

## How long do insolvency proceedings in our countries typically last?

This depends on the size of business, complexity of operating structures as well as any implemented collaterals. Small insolvencies can be wound up within 1 to 2 years, larger proceedings can take up to 10 years.

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The key figure is the administrator, known as well as the trustee. He is being supervised by the judge/court and in bigger cases by the creditors' committee that controls, initials and helps with certain moves, decisions and steps (i.e. assets sale).

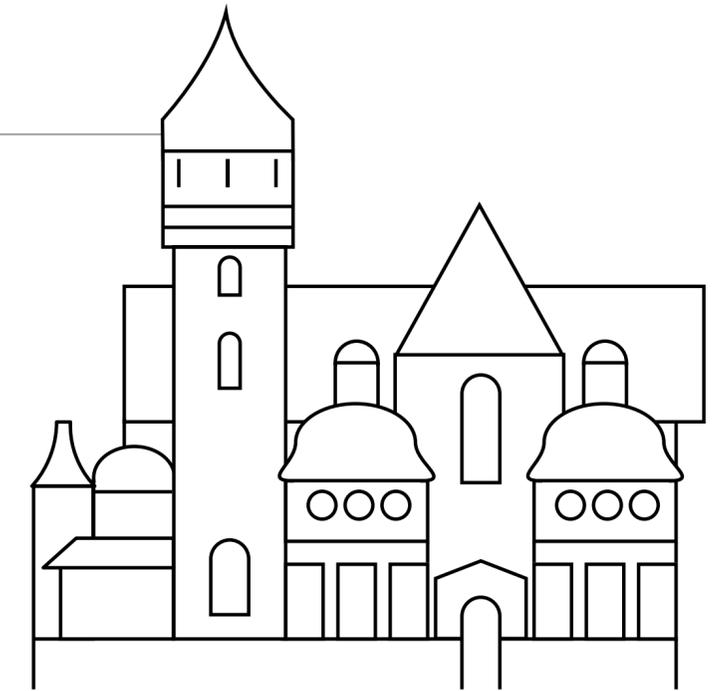


Supports through:

**advising,  
representing,  
knowledge**

## How do we support our customers during insolvency proceedings?

Atradius supports basically through advising, representing and sharing its knowledge and expertise. We do also mostly monitor these kind of proceedings in order to secure best position possible for our customers.



Considered as a Polish national shrine, the Wawel Royal Cathedral of St Stanislaus and St Wenceslaus in Cracow.

# Poland

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## What do the recovery chances for creditors in insolvency proceedings look like?

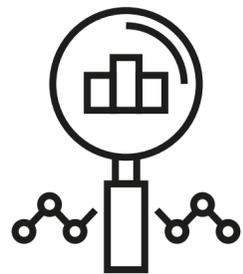
From our local experience we can say that the insolvency quota usually does not exceed more than 25% of original debt value. It all certainly depends of the total worth of the dissolved company but a crucial role can be also played by secured creditors (mostly banks and financial funders). It often happens that after secured ones get satisfied, not much remains for the rest.



**insolvency  
quota <25%**

of original debt value

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## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Debt restructuring proceedings lead often to better and higher recoveries. They also drag in time but allow to have more insight and control over the whole process. Certainly proposals getting voted as the final result of restructuring proceedings are never bullet-proof, nevertheless leave space for further scenarios in case something goes wrong with the initial offer. We know cases in Poland, where unsuccessful restructurings did not turn directly into bankruptcies but judges allowed to use other restructuring possibilities.

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# Portugal



## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

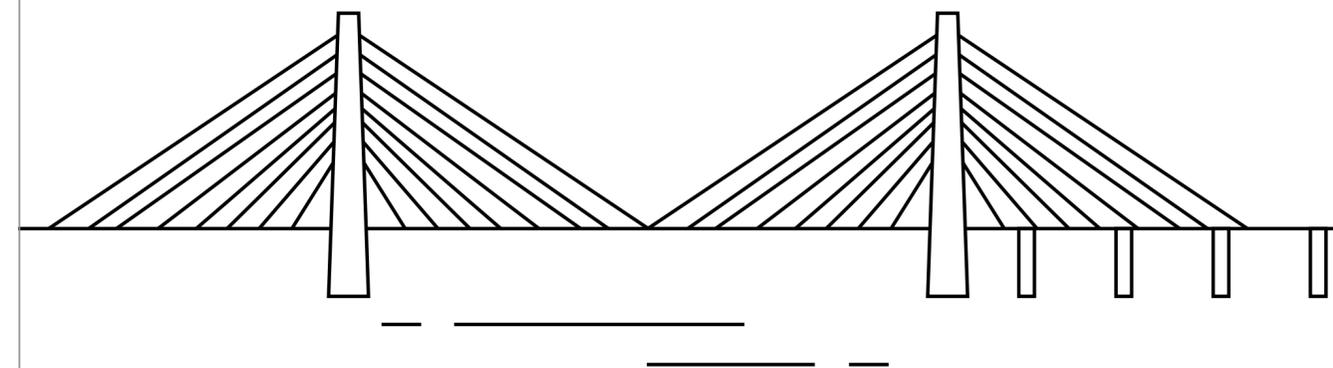
As a rule, in debt restructuring processes, common creditors can obtain some satisfaction on their claims, even if subject to pardons, moratoriums and long-term payment plans.

## How long do insolvency proceedings in our countries typically last?

The duration of insolvency proceedings depends on the creditors' decision on how to satisfy the claims, i.e. whether through the liquidation of the debtor's assets or through a recovery plan. If the process follows the route of liquidating the company, it usually takes about 3 or 4 years, but this period can be largely exceeded, depending on the number of creditors and assets to be liquidated. If an insolvency plan is admitted, usually the process ends within a period of 8 months to 1 year. In some cases, the process closes almost immediately, if the insolvency administrator finds that the debtor's assets are insufficient to cover the costs of the process.

## How do we support our customers during insolvency proceedings?

Atradius CYC carries out, on behalf of their customers, all the necessary procedures for the recognition of their claims on the insolvency proceedings and monitors all the remaining stages of the process, to guarantee the correct defence of their rights.



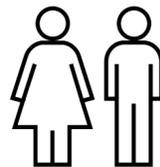
The longest bridge in Europe, the Ponte Vasco da Gama in Lisbon was opened in 1998.

# Portugal

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The insolvency process involves several key players, including creditors, the administrator and the court. Creditors hold significant decision-making power over relevant matters such as the closure or maintenance of the company's activity and the presentation and approval of insolvency/recovery plans. The administrator, despite having reduced decision-making power, is crucial for the proper conduct of the process. Their competencies at various levels can greatly impact the outcome of the process. The court plays an essential role in the declarative phases of the process, such as the verification and grading of claims, insolvency qualification incident and business resolution action for the benefit of the insolvency estate. The court is also responsible for approving insolvency/recovery plans.

**several key players**



The chances of recovery

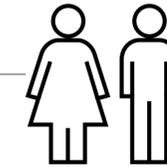


**are very reduced**

## What do the recovery chances for creditors in insolvency proceedings look like?

The chances of recovery for common creditors, with rare exceptions, are very reduced when the process follows the path of liquidation of the debtor's assets. If the process follows the path of recovery, the prospects for claim recovery are moderate, since it is common for this type of proceedings to suffer debt forgiveness (sometimes between 50% and 90%) and to be subject to a period of a very extended payment which is often not fully complied with by the debtor.

# Romania

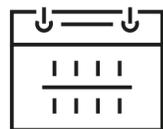


## What do the recovery chances for creditors in insolvency proceedings look like?

The recovery chances vary from case to case, normally recovery prospects are not high. However, our aim is to negotiate with the judicial administrator for our customers' claims being included in the restructuring plans. In the cases where the plans are passed and the customers' receivables are included, the chances for recovery increase: We had cases with 70% - 100% recovery rate.

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participants are the judicial administrator, the liquidator, the judge, the creditors, the Creditors' Committee and the Creditors' Meeting. The industries which are the most vulnerable, from our experience, are: retail, construction, hotels and restaurants, transport, food industry.



Insolvency can last from

## 1 day to 5 years

## How long do insolvency proceedings in our countries typically last?

The duration of insolvency proceedings in Romania is subject to significant variability, depending on the complexity of the case, the number of creditors involved, the amount of outstanding debts and various other factors. If the debtor is deemed amenable to reorganization, the proceedings transition into the reorganization phase during which a reorganization plan is drawn up that subsequently must be approved by both creditors and the court. This stage can last from 1 day to 5 years.

# Romania

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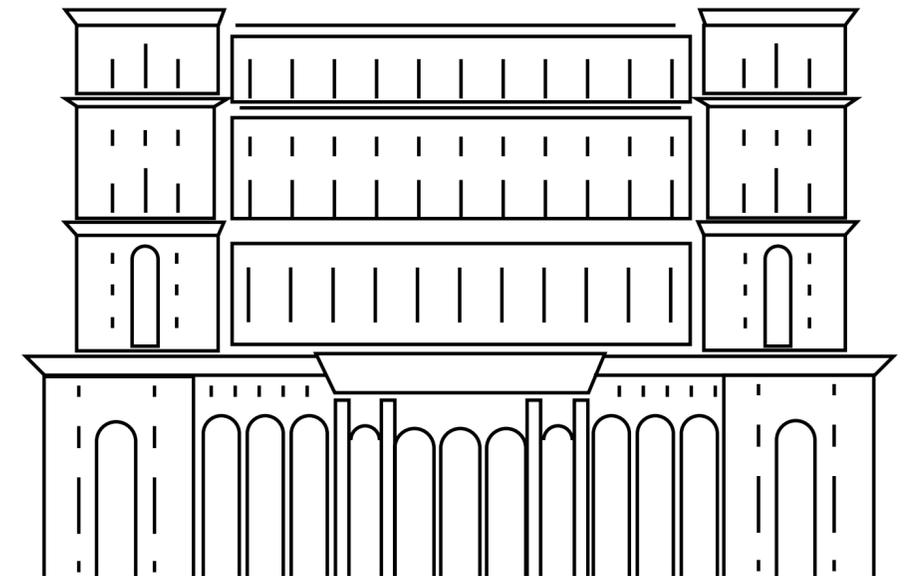
## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

We had restructuring cases with large recoveries, up to 100%. Our expectation is to increase the recoveries as there are more and more debtors willing to apply the recovery strategies proposed by the judicial administrator and, as the market becomes more mature, fewer debtors who aim solely to close the companies without consideration to the creditors.

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## **How do we support our customers during insolvency proceedings?**

Atradius supports customers by actively participating in the procedure, monitoring the procedure in order to timely be informed and informing customers of all the developments. We also provide support by analyzing the reports published, voting in the creditors' meetings based on the information gathered, monitoring the outcome and having direct contact and meetings with the parties involved (judicial administrator/liquidator, the other creditors). All these actions and approaches are aimed to maximize the recovery chances for our customers.



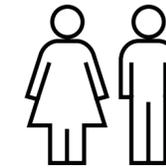
**The construction of the Palace of Parliament employed 20,000 workers** for more than five years and has a built-up area of 65,000 sq. m.

# Singapore

## How do we support our customers during insolvency proceedings?

We advise our insureds on the buyer status, insolvency proceedings and actions that need to be taken to minimize losses, preserving rights and maximize any potential recoveries. Additionally, we utilise our network of professional and expert insolvency lawyers to achieve this when necessary. Atradius will give advice about voting for Schemes of Arrangement or Judicial Managements to achieve the best outcome.

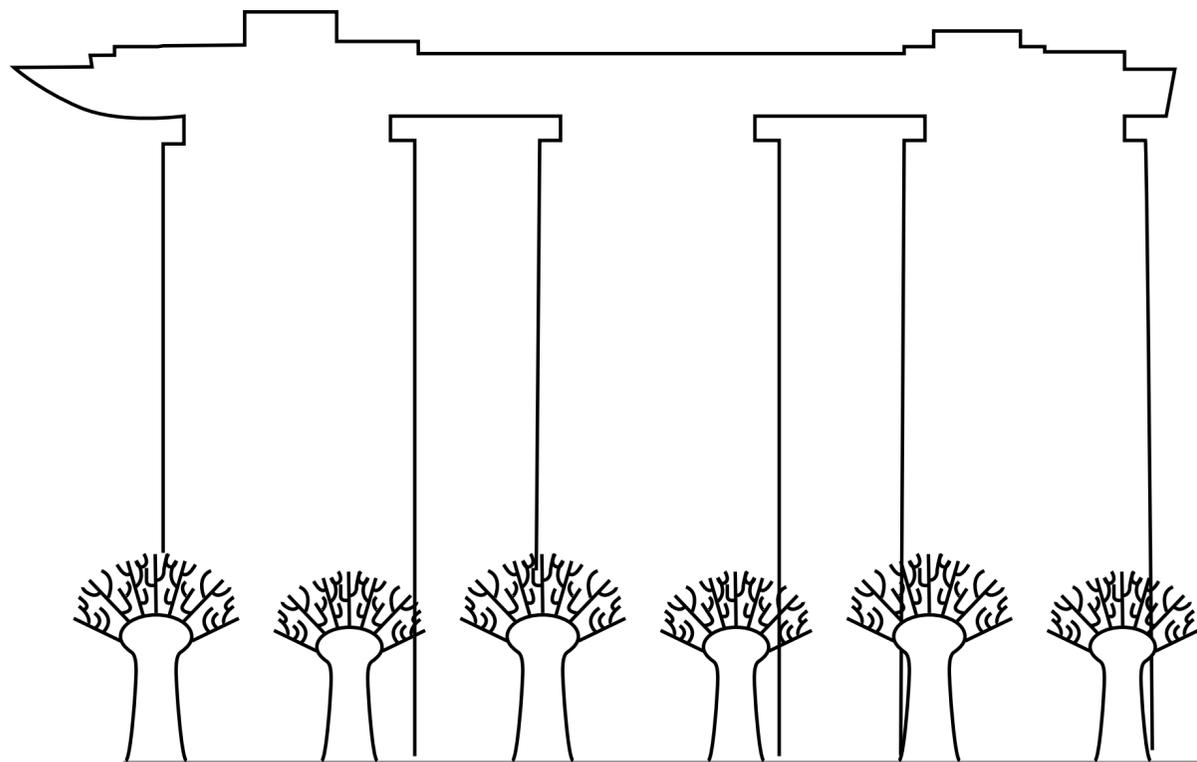
## Creditors



are the most important participants

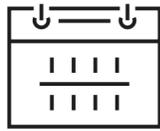
### Who are the most important participants in insolvency proceedings in terms of our daily business?

Creditors are the most important participants in insolvency proceedings, especially secured creditors, e.g. financial institutions. Insolvency practitioner and lawyers for creditors are also important participants.



One of the most iconic features of **Marina Bay Sands Hotel** is its stunning infinity pool, this pool is located on the roof and offers spectacular views of the city skyline from 57 stories high.

# Singapore



The duration is

**is very case-specific**

## **How long do insolvency proceedings in our countries typically last?**

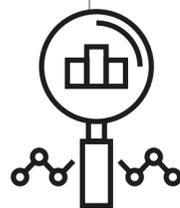
For Schemes of Arrangement and Judicial Managements, it takes usually 6-9 months to get creditors' approval, but time for completion of schemes is different between 1-5 years. For liquidation/winding up procedure, it will take 3-6 months for issuing the liquidation order. The completion of liquidation is difficult to estimate as it is very case-specific. We have experienced liquidations which lasted for more than 5 years.

## **What do the recovery chances for creditors in insolvency proceedings look like?**

We have seen Schemes of Arrangement and Judicial Managements where the creditors recovered between 50% to 80% of their original claims, but it is more typical for recoveries to be much lower (in the range of 10% to 30%). In liquidations, unsecured creditors are unlikely to recover more than 10% to 20% of their claims.

## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

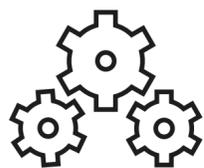
The statutory and legal framework for the various insolvency and restructuring processes is relatively robust. There are multiple options available to debtor companies to try and restructure, whilst at the same time, the rights of creditors are given due consideration and protection.



# Slovakia

## How long do insolvency proceedings in our countries typically last?

The length of insolvency proceedings in Slovakia can vary greatly and is dependent on the complexity of the case, the number of creditors involved, and the availability of assets to be distributed among the creditors. On average, typically proceedings can take around 5 years, depending on the case and parties involved.



Supports through:

**advising and  
monitoring**

## How do we support our customers during insolvency proceedings?

Atradius can assist in advising and filing of the outstanding debt to the administrator, and will often also monitor the development of the estate, and ensure that proceeds are being paid out in accordance with the result of the proceedings.



## What do the recovery chances for creditors in insolvency proceedings look like?

The recovery chances for creditors in insolvency proceedings in Slovakia can depend on a various number of factors, including the value of the debtor's assets and the priority of the creditors' claims. In general, unsecured creditors are less likely to recover their money than secured creditors. Unsecured creditors should expect the recovery to be low (single-digit range) if any.

The first statue dedicated to Andy Warhol, the small town of Medzilaborce in northeastern Slovakia is proud of it.

# Slovakia

## Who are the most important participants in insolvency proceedings in terms of our daily business?

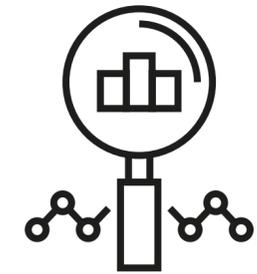
The most important participant in insolvency proceedings is the administrator. His main mission is to monetize the estate and satisfy the creditors to the highest possible level in accordance with insolvency rules. The administrator is supervised by the insolvency court and (in bigger cases) by the creditors' committee which is established to support and monitor the administrator's performance.

**The administrator**

is the most important participant

## alternative

to insolvency proceedings



## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

The restructuring process can be used as an alternative to insolvency proceedings and enables companies to renegotiate the terms of their debt with their creditors in order to avoid bankruptcy. The process can be conducted either in court or out-of-court and may include a debt moratorium which provides companies with a temporary suspension of payment obligations to allow them to develop and implement a debt restructuring plan. However, restructuring proceedings are not very usual.

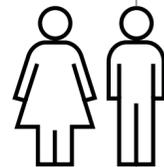
# Slovenia

## Who are the most important participants in insolvency proceedings in terms of our daily business?

In the majority of cases, the most important participant is the insolvency administrator who manages the insolvency proceedings. Depending on the type of insolvency proceedings, other important participants are the board of major creditors or the debtor himself.

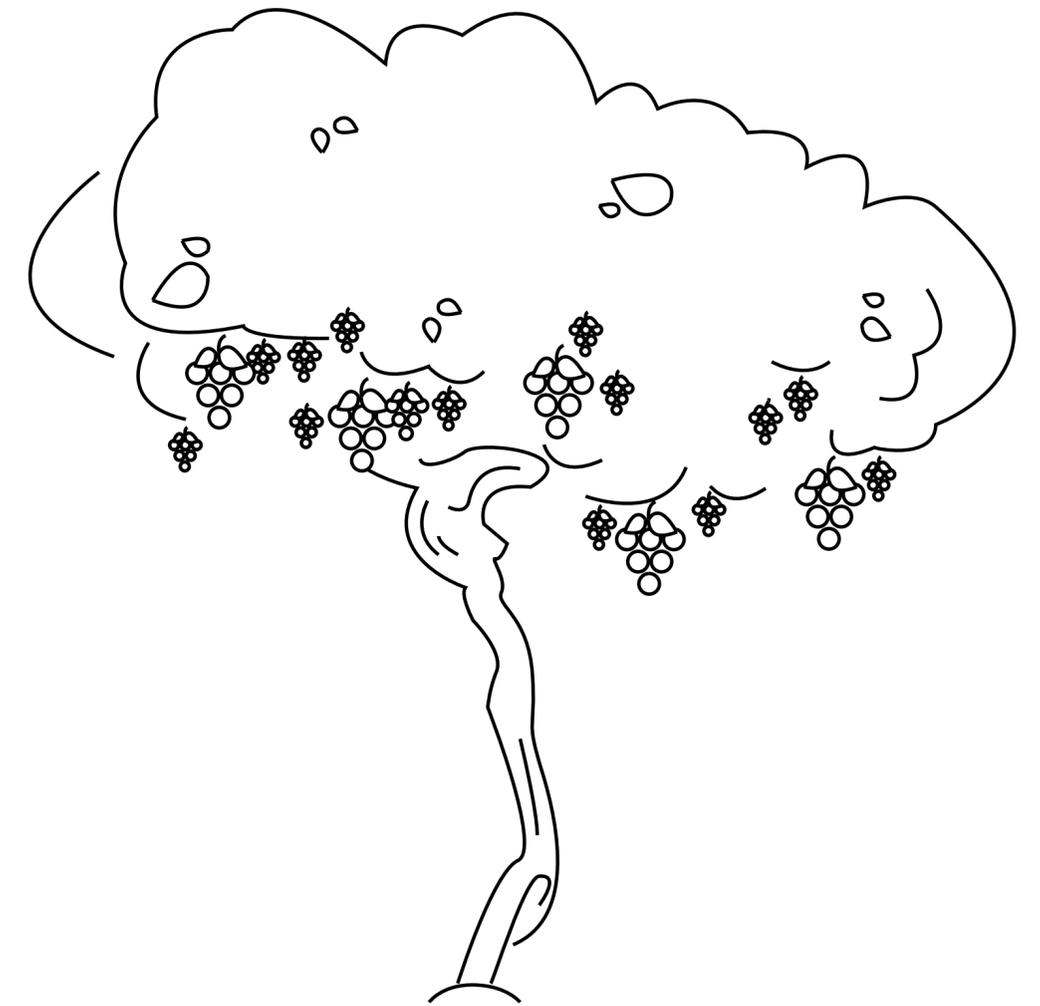
**the insolvency administrator**

is the most important participant



## How do we support our customers during insolvency proceedings?

In cooperation with our collection partner, we support customers by lodging the claims, voting on customer's behalf in case of reconstruction proceedings, providing the customer with an official list of acknowledged claims, filing an appeal or a lawsuit in case the claim was disputed in the list of acknowledged claims, by monitoring the insolvency register and reporting to the customer about relevant developments and payments of quota.



**In the middle of Maribor, the oldest vine in the world** has been growing for over 450 years.

# Slovenia

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## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

Most restructuring proceedings tend to end up in a bankruptcy procedure. If restructuring proceedings are not supported by the majority of creditors, in most cases bankruptcy procedure will follow.

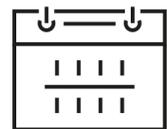


**Most restructuring proceedings**

tend to end up in a

**bankruptcy procedure**

Small Insolvencies can be wound up within



**1 to 2 years**

## How long do insolvency proceedings in our countries typically last?

Generally, the duration of insolvency proceedings depends on the size of the company and the complexity of the case. Small insolvencies can be wound up within 1 to 2 years, larger proceedings can take up to 10 years.

## What do the recovery chances for creditors in insolvency proceedings look like?

This depends on the specific case, but normally chances for recovery are very low. In most bankruptcy cases, the quota is very small, from 0,5% and very rarely over 10%.



The chances of recovery

**are very low**

# South Africa



## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

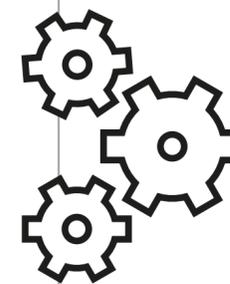
Debt restructuring proceedings may result in some higher recoveries if securities are held or if there is a new investor, available funding and if the business can be operationally restructured. We highly recommend early involvement of our Special Risk Management team so we can attempt to negotiate security as part of ongoing trade or support a repayment plan agreed prior to a formal restructuring process.

## **How long do insolvency proceedings in our countries typically last?**

Business rescue proceedings are designed to last for a period of 3 months from start to finish. However, in practice, they are usually extended and can take anything from 6 months to 2 years. Liquidation and the winding-up proceedings, from start to finish, can take anything from 6 months to 5 years depending on the size of the estate, the nature and complexity of the transactions with which the company was involved in.

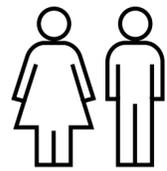
## **How do we support our customers during insolvency proceedings?**

We utilise our network expertise and network of expert insolvency lawyers to minimize losses, preserving rights and maximize any potential recoveries. We also communicate with the Business Rescue Practitioner (BRP) and review business rescue plans to try and ensure the best outcome is achieved. We also advise on voting during creditors' meetings and ensure that proceeds are paid out as per the final decision of the meetings.



**we utilise our network expertise,  
we communicate with BRP,  
we also advise**

# South Africa



## Creditors

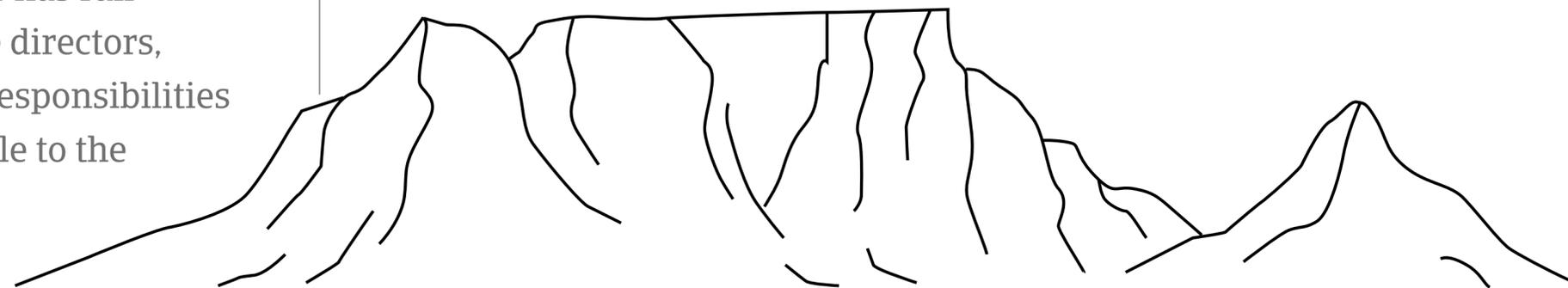
are considered the most influential stakeholders

### Who are the most important participants in insolvency proceedings in terms of our daily business?

Creditors are considered the most influential stakeholders due to their ability to vote on the business rescue plan, followed by post-commencement funders and employees, to ensure business continuity. During business rescue proceedings, the business rescue practitioner has full management control of the company and the directors, though not exempted from their duties and responsibilities (and corresponding liabilities), are answerable to the business rescue practitioner.

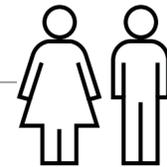
### What do the recovery chances for creditors in insolvency proceedings look like?

Recovery quota is usually limited for unsecured creditors and will be detailed within the business rescue plan. The chances of recovery depends on several factors such as ability to attract a new investor, secured post-commencement financing, secured new banks loans, restructuring operations etc. The business rescue process culminates in the preparation of a business rescue plan by the business rescue practitioner. The business rescue practitioner will consult with all affected persons, creditors and the management of the company when preparing the plan.



**The Table Mountain** is part of the Cape Peninsula Mountains, at 1,087 meters high and 240 million years old, it is one of the oldest mountains in the world.

# Spain

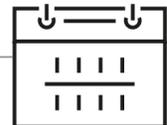


## What do the recovery chances for creditors in insolvency proceedings look like?

Normally, the claims of the insured are usually classified as ordinary, so the chances of collection are usually very low (single-digit range), if there are any. That said, the possibilities of recovery depend on the specific case, based on the viability of the company and its assets.

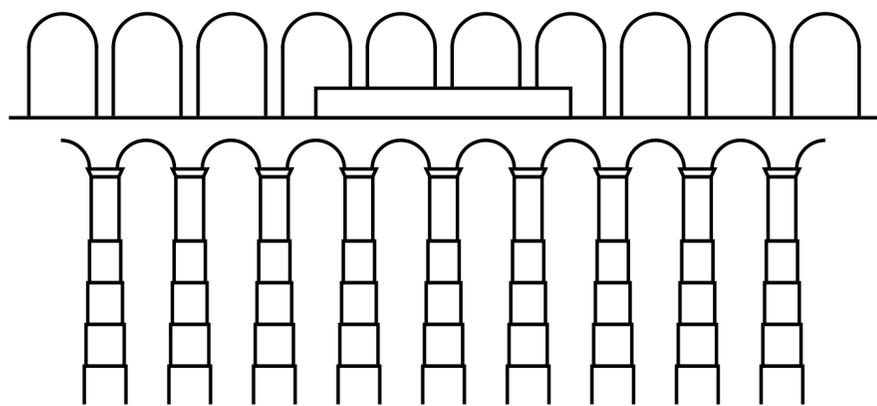
## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important figure in a bankruptcy is the bankruptcy administrator who is supervised by the competent judge. The administrator recognizes creditors' claims, intervenes in the company's administration and dictates its status through reports.



## How long do insolvency proceedings in our countries typically last?

The duration of the process depends mainly on the magnitude and complexity of the company and the context. The timeline can vary significantly from case to case, ranging from a matter of months (e.g. when the company is liquidated in a short period of time) to between 5 and 10 years or even longer in case of bankruptcy proceedings.



**Probably completed in AD 98**, The Segovia Aqueduct operated until 1974, pumping water from the mountains around the city.

# Spain

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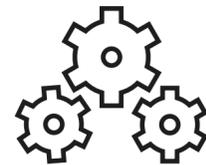
## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

Since the entry into force of the reform of the Spanish Insolvency Law, there are many companies that, in the event of insolvency, opt to file for restructuring proceedings. Unfortunately, most of them are unable to achieve the restructuring objectives and are therefore forced to file for classic insolvency proceedings. In any case, the few companies that do manage to carry out the restructuring plan always propose very substantial debt reductions (usually more than 50% debt write-offs).



Most companies are

**unable to achieve the restructuring objectives**



Support through:

**monitoring**

## **How do we support our customers during insolvency proceedings?**

Atradius files the claim on behalf of the insured to the bankruptcy administration and takes any necessary actions to defend the recognition of the claim. We monitor the phases of the bankruptcy/agreement/liquidation procedure to guarantee the correct defence of the rights of the insured. Where appropriate, the requirements for the collection of amounts resulting from the procedure will be managed.

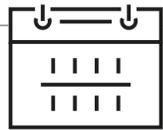
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# Sweden



## What do the recovery chances for creditors in insolvency proceedings look like?

This depends on the size of the company and the proceeds of the estate. In Sweden, there is a prioritized order in which the proceeds of the estate are being distributed. Typically salaries have priority before “normal” creditors (suppliers). The proceeds to normal creditors is normally very low, if any.



## How long do insolvency proceedings in our countries typically last?

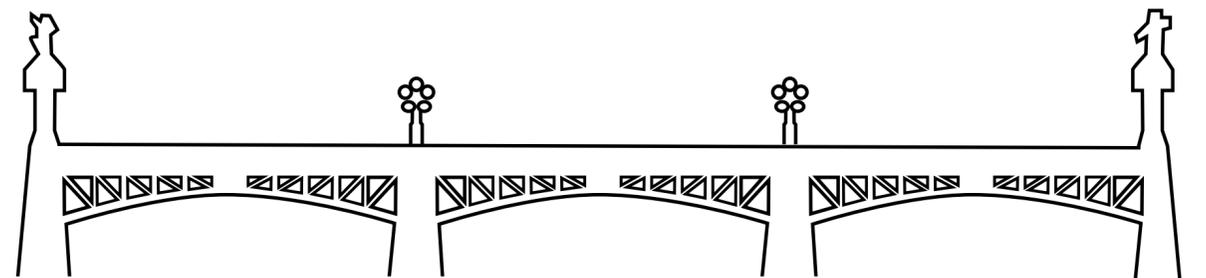
A large bankruptcy can last from

**5-10 years**

This depends on the size of the company and the complexity of the case. A reconstruction phase has a time limit of 1 year, but runs for typically 5-7 month. A large bankruptcy can last from 5-10 years, whilst the smaller ones usually last 1-5 years.

## How do we support our customers during insolvency proceedings?

Atradius can assist in advising and filing of the outstanding debt to the administrator, and will often also monitor the development of the estate, and ensure that proceeds are being paid out in accordance with the result of the proceedings.



Called „Venice of the North“, Stockholm stretches across 14 Baltic Sea islands and has more than 50 bridges (here Vasabron bridge).

# Sweden

## The **administrator**

is the key figure

**but the creditors also play a role**



## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

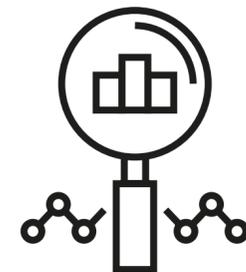
The most important stakeholder in an insolvency proceeding is considered to be the administrator since the administrator's task is to ensure the best possible outcome for the creditors. However, the creditors also play a role, since they have the ability in an engaged way to influence the efforts of the administrator.

## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

If a company has filed for a restructuring process, and the creditors do not accept the proposed plan, the company will automatically go into bankruptcy proceedings. It is more or less up to the creditors to decide upon a proposal from the restructured company, and since a bankruptcy must be expected to be more costly, the restructuring should be considered as to be more favorable. With the recent change concerning the ease to enter into a restructuring process, it should be expected that more companies will choose this way in time, hence giving better chances for a successful restructuring process.

## **evaluate restructuring plans critically**

and determine if a quicker bankruptcy is better



# Switzerland

## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

With the debt restructuring moratorium, a discrete and flexible restructuring tool is used in Switzerland. The aim is to give a company time to examine restructuring measures and, if necessary, to obtain partial debt relief. The debt restructuring proceedings begin with a provisional debt restructuring moratorium which means that the company cannot face debt enforcement for four months. The provisional moratorium is not made public. A trustee is also appointed. If it is likely that there is a prospect of full restructuring/a debt restructuring agreement with the creditors with partial debt relief, the court approves the company's application for a definitive debt restructuring moratorium. This gives the company a few more months to implement a restructuring plan. A complete restructuring is also possible, or on the other hand a liquidation of the company with the remaining assets being divided among the creditors. Bankruptcy will possibly nevertheless take place after the debt restructuring proceedings.

## **How do we support our customers during insolvency proceedings?**

Atradius can assist in advising and filing of the outstanding debt to the administrator and will often also monitor the development of the estate. Furthermore, we ensure that proceeds are being paid out in accordance with the result of the proceedings.



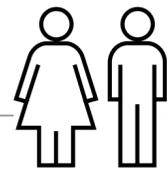
In 1865 the first person stood on **the Matterhorn**, 4478 m above sea level, since then, thousands of people have climbed Switzerland's deadliest mountain every year.

# Switzerland



## Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important participant in insolvency proceedings is the insolvency administrator who takes over the management of the debtor's assets under control of the insolvency court. He is responsible for the dissolution of the insolvent company and the distribution of its assets to the creditors.

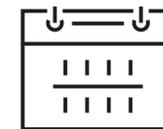


## What do the recovery chances for creditors in insolvency proceedings look like?

The likelihood of recovery for creditors in insolvency proceedings depends on a variety of factors, mainly, the financial situation of the debtor and the position of the creditor in the line of priority. Creditors are ranked in categories from 1 to 3. In category 1, employees and pension schemes have the best expectations to be fully paid. In category 2, several insurance contributions are ranked. Eventually, in category 3 every other claim is put, with little to no chance for recoveries.

## How long do insolvency proceedings in our countries typically last?

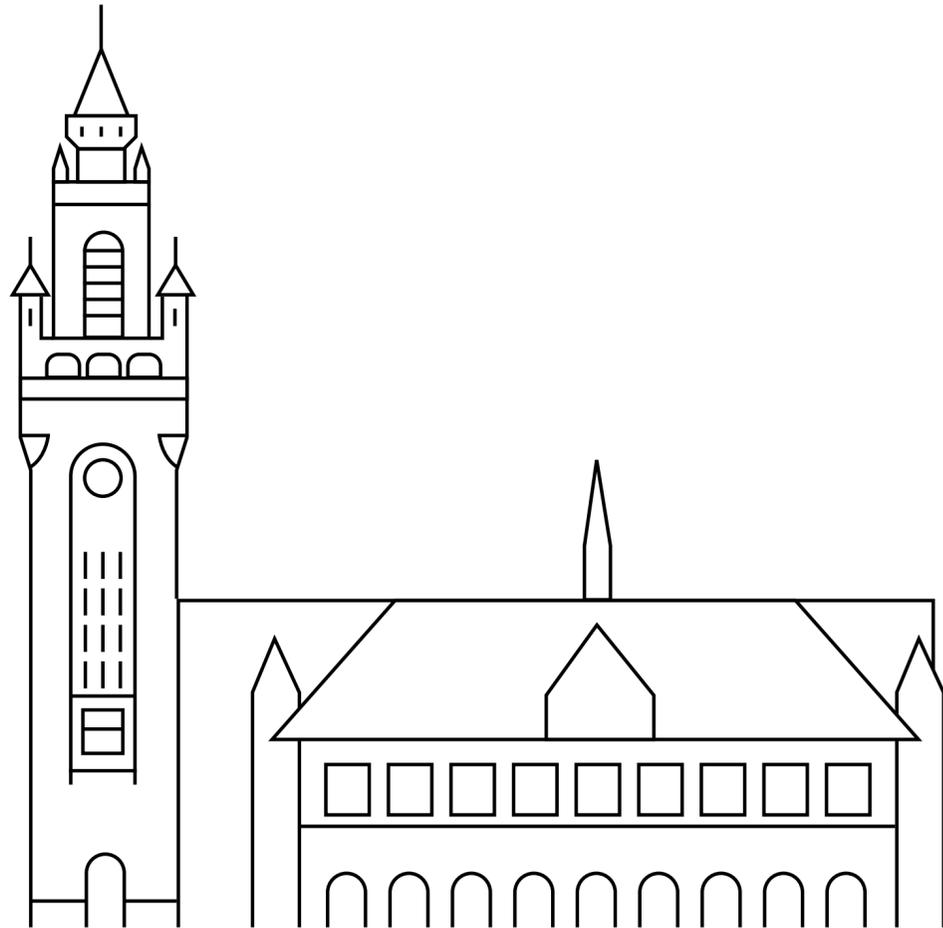
This depends mainly on the size of the company. Small insolvencies can be handled within months, larger proceedings can take up to 5 years.



Can last from

**several months  
up to 5 years**

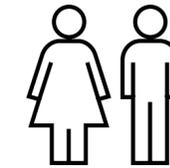
# The Netherlands



## How do we support our customers during insolvency proceedings?

When a buyer declares insolvency, we first check at our insured if they are involved with an outstanding balance on the insolvent entity. After this, we check if we have the disposal of collaterals in this case. If so, we start with recovery actions on the base of our securities. If we do not have collaterals, we invoke retention of title and right of revendication at the receiver and start negotiations with him. After this all, if an amount is still open, we report it to the receiver and keep following the developments in the bankruptcy (estate).

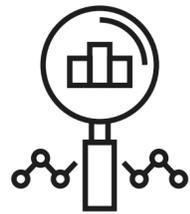
## 4 most important stakeholders



### Who are the most important participants in insolvency proceedings in terms of our daily business?

The most important stakeholders are the appointed receiver, parties with securities like banks and credit insurance companies, tax authorities (preferred creditors) and unsecured creditors.

# The Netherlands



## **the WHOA, the Dutch Scheme** was implemented in 2021

### **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

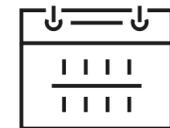
In the Netherlands, the WHOA (Wet Homologatie Onderhands Akkoord), the Dutch Scheme, was implemented in 2021. The WHOA introduces the possibility to offer a restructuring plan to prevent the debtor from going insolvent or to accommodate a controlled liquidation and distribution of the (insolvent) debtor's assets to its creditors. However, the practicability of the procedure is limited as it does not offer enough opportunities to negotiate regarding the amount (%) of payment than in an out-of-court composition.

### **What do the recovery chances for creditors in insolvency proceedings look like?**

This will depend on different factors such as the existence of collaterals or personal securities. Every case can be different. In some cases, we are successful despite the fact that we did not have the disposal of securities, but in other cases there are less funds available in the bankruptcy estate.

### **How long do insolvency proceedings in our countries typically last?**

This depends on the size of the company and the complexity of the case. Typically, the duration is 1 to 5 years.



A insolvency proceeding typically lasts

**1-5 years**

# Turkey

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## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

Restructuring proceedings are generally handled by a trustee appointed by the court. Suppliers are in the 4th place on the recovery list by law, first is employees, second is government bodies, and third is banks. If company is really going to get bankrupt, our expectation is not that great. However, if the debtor is actually trying to recover, the usual deal with trustee is that they come up with a lower percentage for creditors to agree. So they can close their debt in instalments.

Suppliers are in the  
**4th place**  
on the recovery list by law



## **The trustee in bankruptcy**

is the key figure

## **Who are the most important participants in insolvency proceedings in terms of our daily business?**

The trustee in bankruptcy is the one leading the bankrupt company's assets. Besides government bodies, banks, suppliers and insurers are the main participants in these proceedings ("Concordatum").

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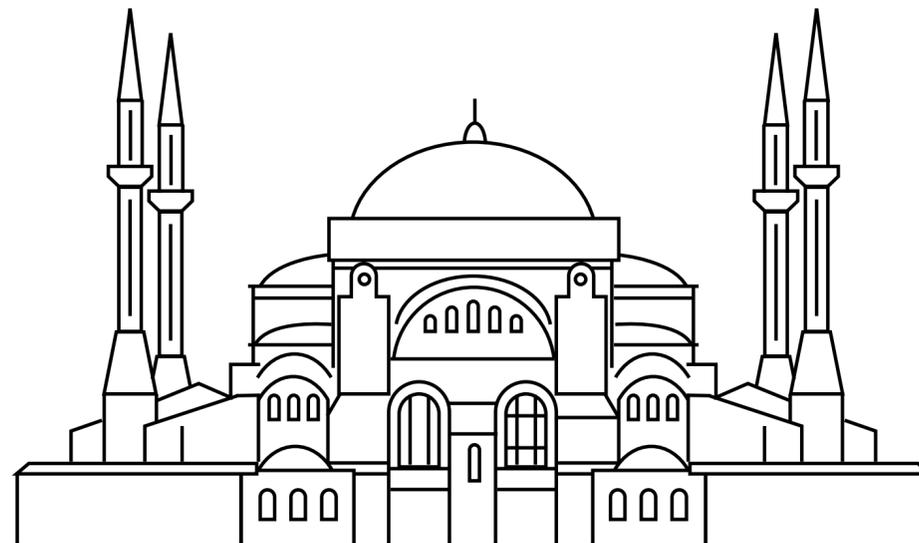
# Turkey

## How long do insolvency proceedings in our countries typically last?

A buyer files an application to the court, which may grant the company protection under the law for up to 3 months, which can be extended for an additional 2 months. After that, the court will review the concordatum project submitted by the buyer and the trustee. Based on the outcome, the court may either reject it and declare bankruptcy or accept it and provide the company with a minimum of 1 year of protection under the law. The shortest timeline for the entire process is approx. 2 years.

## What do the recovery chances for creditors in insolvency proceedings look like?

Since the process is very long and can be extended several times, recovery chances vary a lot. But, in the end, creditors always end up with a lower payment for their receivables.



## How do we support our customers during insolvency proceedings?

Our cooperative law firm in Turkey is very supportive and provides information as much as needed. We are pushing debtors for earlier payments or working on some other deals to close the case.

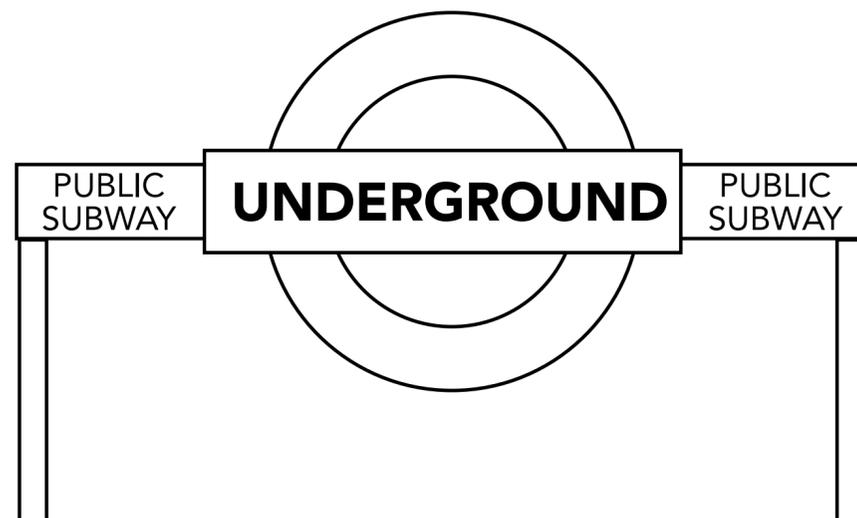
**Blue Mosque (Sultan Ahmed Mosque)**, the landmark in Istanbul owes its nickname to the blue ceramic tiles that adorn the interior.

# United Kingdom



## Who are the most important participants in insolvency proceedings in terms of our daily business?

The administrator is likely to be the key figure as they manage the company and make the operational decisions, while a buyer is sought. In instances where such a sale is unsuccessful, a liquidator will be appointed to sell off the assets of the business.



## What do the recovery chances for creditors in insolvency proceedings look like?

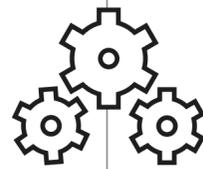
This depends on the type of insolvency procedure and the condition of the business. In an administration, the Insolvency Practitioner will typically seek to operate the business and market it for sale. If the sale price for the trade and assets exceeds the value of the claims of secured creditors, then unsecured trade creditors can expect to receive a dividend. By contrast, if the business is placed into liquidation, then it ceases to trade and its assets are sold. Unsecured creditors typically receive much lower (if any) dividends in such situations. Suppliers can enhance their chances of a higher recovery by ensuring that their sales contract with the buyer incorporates an All Monies Retention of Title clause, which if successfully applied, requires the Insolvency Practitioner to either return unsold stock, or pay in full for any stock which is sold during an administration.

At more than 160 years, the London Underground is the oldest underground railway system in the world.

# United Kingdom

## What is our experience and expectation with regard to debt restructuring proceedings on the respective market?

A restructuring of trade liabilities may be proposed via a legally binding Creditors Voluntary Agreement (CVA), with a proposal of a larger return to creditors than would otherwise be achieved in an administration. The CVA is intended to allow a company to defer its liabilities over a period, in order to buy time for management to resolve the underlying issues that caused its difficulties. Our experience however is that many CVAs fail as those issues prove to be insurmountable.



Support through:

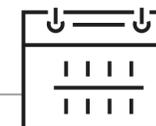
## Advising and assisting

### How do we support our customers during insolvency proceedings?

Close cooperation with insolvency practitioners gives us notice of insolvencies as they happen. We can advise customers on debt registration, assist in enforcing Retention of Title claims, request stock lists and in some cases, form a Creditors Committee with other creditors to steer the administration. We also track when dividends from the estate are paid and we offer policy support for issues surrounding policy elements like Pre Credit Risk, Binding Contracts Cover & Continuation of Cover.

### How long do insolvency proceedings in our countries typically last?

The majority of administrations complete within 12 months, though more complex cases can take many years to resolve.



# USA

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## **How do we support our customers during insolvency proceedings?**

Atradius can assist by sharing knowledge and expertise. Atradius Collections can file a Proof of Claim and monitor recovery prospects on a fee-based schedule. Most customers elect to perform these administrative tasks on their own.

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## **How long do insolvency proceedings in our countries typically last?**

The size and complexity of the business, the debtor's plan for reorganization and creditor prioritization are all factors that can impact the length of the process. Most Chapter 11 bankruptcies take 1,5 years to 5 years. A Chapter 7 bankruptcy takes around 4 to 6 months to complete.



## **What is our experience and expectation with regard to debt restructuring proceedings on the respective market?**

The two most common insolvency proceedings filed in the US are Chapter 7 and 11 of the US Bankruptcy law. Chapter 7 is considered a liquidation bankruptcy; it allows businesses to liquidate their assets to pay off debts in order to discharge as many unsecured debts as possible. Chapter 11 is considered a reorganization bankruptcy that allows debtors to reorganize their finances without liquidating all assets. In Chapter 11 bankruptcy, the debtor proposes a plan (which requires support by a majority of creditors) to pay back some or all of its debts over a set period of time.

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The seven points of **the Statue of Liberty's** crown of the crown represent the seven continents and the seven seas.

# USA



## What do the recovery chances for creditors in insolvency proceedings look like?

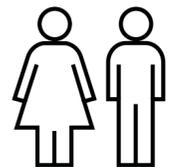
In both instances (Chapter 7 and 11 of the US Bankruptcy law), unsecured creditors typically receive a pro rata distribution of the debtor's assets, after secured creditors have been paid. The average recovery rate for unsecured debt is typically around 10-20%, but it is not uncommon that unsecured creditors may not recover any of their debt. However, the US Bankruptcy Code provides two options to improve the standing of unsecured creditor debt: Section 503(b)(9) may allow goods or services rendered during the 20 days prior to the bankruptcy filing to be classified as administrative expenses, giving them higher priority over general unsecured claims. On the other hand, critical vendor status is a process that allows a debtor to pay a vendor a portion or all of their pre-petition claim in exchange for continued business as their goods or services are essential for the business's reorganization (either as a sole-source supplier or difficult to replace). The debtor typically designates the vendor as critical, but the final approval resides with the bankruptcy court.

## Who are the most important participants in insolvency proceedings in terms of our daily business?

The key participants are the bankruptcy trustee and the creditors' committee. In Chapter 7 cases, a trustee is appointed to oversee the liquidation of the business's assets in an orderly manner and distribute the proceeds to creditors in order of priority. In Chapter 11 cases, a committee of unsecured creditors is often formed to represent the interests of all unsecured creditors. The committee is typically made up of the debtor's seven largest unsecured creditors.

## The **bankruptcy trustee & creditors' committee**

are the key participants





# Benefit from our products, services and expertise!

Whether you have questions, need support, or want to find out more about how we could help you, then reach out to us today.



Contact us: [atradius.com](https://www.atradius.com)

