

22. December 2020

NEW POSSIBILITIES OF PREVENTIVE BUSINESS RESTRUCTURING

ON 1 JANUARY 2021, THE ACT FOR THE FURTHER DEVELOPMENT OF RESTRUCTURING AND INSOLVENCY LAW (SANIERUNGS- UND INSOLVENZRECHTSFORTENTWICKLUNGSGESETZ, SANINSFOG) COMES INTO FORCE. GERMANY INSOLVENCY LAW WILL NOW PROVIDE A LEGAL FRAMEWORK FOR PRE-INSOLVENCY RESTRUCTURINGS. CRISIS-RIDDEN COMPANIES HAVE THE POSSIBILITY TO NEGOTIATE WITH THEIR CREDITORS THEMSELVES AND TO REORGANIZE THEMSELVES ON THE BASIS OF A RESTRUCTURING PLAN. THE HIGHLIGHT: IF A MAJORITY AGREES WITH THE PLAN, IT APPLIES TO ALL PARTIES INVOLVED. IN ADDITION, IT IS UP TO THE DEBTOR TO DECIDE JUST HOW MUCH JUDICIAL SUPPORT HE NEEDS. IN VIEW OF THE ONGOING COVID-19 PANDEMIC, THE NEW REGULATIONS COME AT THE RIGHT TIME. [\(more...\)](#)