



**Fifth Workshop on European Corporate and Household  
Insolvency  
International Monetary Fund  
JVI, Austria May 5-6, 2015**

**Agenda**

**May 4, 2015**

19:00. – Welcome Reception.

*Venue:* Palmenhaus  
Burggarten 1  
1010 Wien  
Austria  
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**May 5. Day 1. Introduction**

8:30 – 9:00. *Administrative briefing, Tatiana Arnhold, Joint Vienna Institute*

9:00 – 9:15. – *Remarks, Wolfgang Bergthaler, Legal Department of the International Monetary Fund*

9:15 – 9:30. – *Remarks, Hanni Schoelermann, European Department of the International Monetary Fund*

9:30 – 9:40. – *Remarks, Dermot Monaghan, Monetary and Capital Markets Department of the International Monetary Fund*

9:40 – 11:10. **Session 1. Corporate reorganization and restructuring—What are the key elements of an effective reorganization procedure and what are recent trends?**

*An effective reorganization procedure aims at enabling viable companies to restructure its debt in order to preserve more value to creditors and/or the economy at large than by liquidation. Which would be appropriate commencement requirements? How to determine viability? How should public creditors (such as tax and social security authorities) be treated in the restructuring? What are options for the creditors' voting mechanisms (e.g., majority voting; separate voting by classes, classification of claims; cram-down against dissenting classes; special safeguards for secured creditors with security in rem; treatment of personal guarantees)? What are the key considerations for new financing in restructuring procedures and how to prevent its use for perverting creditors' priorities? What are the alternatives to formal reorganization procedures (recent trends of voluntary restructuring with limited involvement of the judiciary in line with the EC Recommendation)?*

11:10-11:30. – Group Photo followed by Coffee break

**11:30-13:00. Session 2. Liquidation procedures—How to maximize the value for all parties involved?**

*This session will focus on the liquidation part of insolvency procedures, which aim to maximize the value of assets for the creditors for non-viable entities. How can liquidation procedures be expedited? What are the different options for disposition of assets or liquidation (e.g., private sale on the market, auctions, repossession of assets, sale of the business as a going concern) and how can obstacles (such as, sale of the enterprise where some assets are subject to security interests, methods for sale of enterprises, successor liability in tax, labor and environmental obligations) be addressed? The session will also discuss the treatment of secured versus unsecured creditors in insolvency procedures, insolvency-related fraud, debtor-in-possession issues, and policies such as suspension of tax payments.*

13:00 – 14:30. – Lunch (at JVI – Lecture room 600C)

**14:30 – 16:00. Session 3. Insolvency law and company law—opportunities and obstacles**

*The session will analyze the interplay between insolvency law and company law. It will look into the role of shareholders and corporate bodies in insolvency proceedings, and the use of restructuring options (such as, debt/equity swap, mergers, recapitalizations, spin-offs). What are the substantive and procedural rights of shareholders in a company subject to insolvency proceedings? What is the possibility of the shareholders retaining a share in the reorganized company and in what circumstances it may be warranted (possible exceptions to the absolute priority rule)? The session will look into the recent reforms facilitating debt-to-equity swaps during restructuring in Germany and Slovenia and consider their consistency with the EU Second Company Law Directive.*

Coffee Break from 16:00 – 16:20.

**16:20 – 18:10. Session 4. Distressed debt transfers—What obstacles exist and how can they be removed?**

*The session will discuss regulatory and practical obstacles to distressed debt trading (e.g., prohibition of transfers, claim subordination, challenges to the proper valuation of collateral etc.) and assess their impact on debt restructuring. Who may be interested in buying distressed debt and what should be the right price? What are the synergies that can be created by developing a distressed debt market? What is the potential role of the AMC's and vulture funds in the context of NPLs market development? When could the creation of an AMC be warranted, how should an AMC be funded, and what are the legal and market factors required for AMC's efficiency? What should be the rights of the AMC in insolvency proceedings? Is there a need for safeguards against vulture funds?*

19:00 – 21:00. – Dinner

Venue: Restaurant Beim Novak  
Richtergasse 12  
1070 Wien  
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Website: <http://www.beimnovak.at/>

**May 9. Day 2.**

**8:30 – 10:45. Session 5. Micro and small SMEs and individuals—What are the key considerations for addressing debt distress and NPLs?**

*This session will discuss key recommendations for addressing debt distress and NPLs for micro and small SMEs and individuals considering the recent Staff Discussion Note published by IMF staff. It will further consider objectives behind the “fresh start” (debt discharge) provisions for households and micro and small SMEs. Countries with insolvency regimes that do not have a ‘fresh start’ for the entire segment are considering reforms (such as Spain, Romania, Croatia). How to differentiate discharge rules for consumer and micro and small SMEs’ debt? How to treat primary residences when applying the discharge rules? (e.g., should preserving first homes be allowed; what assets should be exempt in insolvency?) How to treat guarantors in applying the discharge rules? The session will also explore the available safeguards to prevent the abuses of a fresh start (e.g., claw-back provisions, information disclosure, penalties for fraudulent conduct, non-dischargeable debts). It will consider the EC Recommendation of March 2014 on a new approach to business failure and insolvency. Finally, the session will discuss whether simplified and more cost effective insolvency procedures within the insolvency regime (like the US, Germany, Slovenia, Portugal, and others) are an essential feature of insolvency regimes to address SME NPLs.*

10:45 – 11:00. – Coffee break

**11:00 – 12:30. Session 6. Mortgage loans—Challenges to restructuring at a time of economic crisis.**

*Financial and economic crisis can be associated with significant and sudden debt distress. At the time of such distress in countries where traditional debt restructuring mechanisms including insolvency systems, are not functioning, certain emergency measures may be warranted. This session will discuss such alternative instruments for coping with debt crisis, including moratoria, or special government restructuring schemes. What are the benefits and risks of such measures? This session will focus FX denominated mortgages/debts at the time of local currency devaluations. What are the options available to the policy maker in the country hit by devaluation? To what extent government supported FX debt relief schemes can be appropriate mechanism for burden sharing among all stakeholders? What are the policy and regulatory mechanisms of mitigating the effects on the devaluation and preventing the risks the FX debt crisis?*

*12:30 – 12:45. Concluding remarks by Wolfgang Bergthaler, Legal Department of the International Monetary Fund*