



**Sixth Workshop on European Corporate and Household Insolvency  
International Monetary Fund JVI,  
Austria May 2-3, 2016  
Agenda**

**May 1, 2016**

19:00. Welcome Reception.

*Venue: Palmenhaus  
Burggarten 1  
1010 Wien  
Austria*

*Tel.: +43 (0) 1 533 10 33*

*E-mail: office@palmenhaus.at*

*Website: <http://www.palmenhaus.at/>*

**May 2. Day 1, Monday. Introduction**

8:30 – 9:00. *Administrative briefing, Alexander Prostimkin, Joint Vienna Institute*

9:00 – 9:10. *Opening Remarks, Yan Liu, Legal Department of the International Monetary Fund*

9:10 – 9:30. *Remarks on the Macro-relevance, Hanni Schoelermann, European Department of the International Monetary Fund*

**9:30 – 11:00. Session 1. Recent Developments in Insolvency and Debt Enforcement in the Context of Tackling NPLs**

*This session will focus on the role of insolvency regimes (corporate and personal) and of debt enforcement mechanisms in the reduction of non-performing loans and discuss recent developments in these areas in European countries. A number of countries (Cyprus, Italy, Spain, Poland, Latvia) continue to reform their insolvency regimes and the session will explore the ongoing motivation for reform and identify trends and key features (such as pre-insolvency processes, enabling debt-to-equity swaps, pre-packs). Participants may wish to highlight any special mechanisms used to tackle large corporate loans, including the challenges of creditor coordination in these cases and the role of the government, if any, in facilitating debt restructuring. Reforms to debt enforcement regimes in various European countries and the role and effectiveness of these reforms in the reduction of NPLs will also be analyzed. IMF staff will brief participants on the recent JVI workshop on 'Making Mortgages Work.'*

11:00-11:30. Photo followed by Coffee break

11:30-12:30. **Session 1 continued.**

12:30 – 14:00. Lunch (at JVI)

14:00 – 15:30. **Session 2. Country Experiences with NPL Resolution Strategies**

*This session will commence with a discussion of the adoption and success of financial sector reforms such as legislation enhancing the ability of non-banks to own and manage NPLs, addressing related tax issues with regard to NPL sales, and creating regulatory incentives for sale/external management of NPLs (e.g. supervisory initiatives such as operational targets for NPLs, provisioning rules, etc.).*

*The focus of the first part of this session will be the recent European experience with NPL restructuring tools such as changes in loan terms, business restructuring, debt/equity swaps, loan balance splits/warehousing, non-recourse contracts, collateral lease/repurchase etc. Participants will share their views on the advantages and disadvantages of these tools, as well as the challenges faced and success achieved through their use.*

*The focus of the second part of this session will be on centralized/coordinated solutions, including the recent European experience with NPL management strategies such as debt/equity swaps, the use of pooling vehicles such as asset management companies (AMCs) and securitization structures with public guarantees. The potential for private and semi-private investment and the means of attracting such participation in pooled recovery vehicles will be considered. Discussions will also touch on policy issues in securitization that relate to collateral use and management, and the application of the European State aid rules.*

15:30 – 15:45. Coffee Break

15:45 – 17:30. **Session 2 continued**

19:00 – 21:00. Dinner

Venue: Restaurant Beim Novak  
Richtergasse 12  
1070 Wien  
Tel.: +43 1 / 523 32 44  
E-mail: [beimnovak@aon.at](mailto:beimnovak@aon.at)  
Website: <http://www.beimnovak.at/>

**May 3. Day 2, Tuesday.**

9:00 – 10:45. **Session 3. Challenges in Developing Distressed Debt Markets in Europe and Country Experiences with Promoting a Distressed Debt Market**

*Results from a recent IMF survey on the experience of European countries with high NPLs indicate that underdeveloped distressed debt markets are a severe structural obstacle to NPL resolution. This session will explore the reasons for the shallowness of the distressed debt markets in Europe including key impediments to deepening these markets. Impediments arising from insolvency and enforcement laws, such as lack of predictability, uncertain treatment/valuation of collateral, access to information, restrictions on voting and committee membership etc. will also be discussed. This session will analyze the success of efforts made by*

*several European countries to resolve NPLs through portfolio sales and servicing agreements, as well as public-private ventures and the challenges encountered (e.g., pricing gaps, overvaluation of collateral on banks' balance sheet, inadequate borrower credit information) including how these issues were/could be addressed.*

*The session will also discuss the investors' perspective and policy reasons for differences, if any, in the legal and regulatory treatment of sale of commercial and residential portfolios. Participants are encouraged to share their views on the "flip-side" of distressed debt sales - in particular policy concerns arising from the possible distortion of the insolvency process by massive bad debt trades, and the misuse of stock-for-debt swaps by raiders for corporate control. Finally, participants may wish to consider whether there is scope for a pan European market for distressed debt as part of the EU's capital markets union and if so, what steps would facilitate its creation.*

10:45 – 11:00. Coffee break

**11:00 – 12:30. Session 4: Elements of a Comprehensive NPL Resolution Strategy**

*This session will discuss the key elements of a comprehensive NPL resolution strategy focusing on reforms to insolvency and foreclosure regimes, institutional reform (courts and insolvency practitioners) and legal issues related to the sale of NPLs. The focus will be on legal aspects while also emphasizing the importance of supportive macro-policies and banking supervision. The sequencing and planning of reforms will be discussed including the importance of analysis of data and obstacles at the outset in order specify the issues and also what measures may yield returns in the short/medium or long run. This session will emphasize the importance of coordination among all stakeholders and modalities to structure such coordination such as committees or government councils. Participants may wish to deliberate upon the distinction between the role of the government post financial crisis and in a "steady state", i.e., where the economy has returned to business as usual. Finally, the session will discuss the important role that the EU institutions can play with both coordination and guidance.*

12:00 – 12:30. Concluding remarks by Yan Liu, Legal Department of the International Monetary Fund