Council and Parliament reach agreement on the Directive on Preventive Restructuring Frameworks, Second Chance and Measures to Increase the Efficiency of Restructuring, Insolvency and Discharge Procedures

by *Lukas Schmidt*

Roughly two years ago the Commission presented the proposal for a Directive on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedure (see Blogpost). After a lively debate the Council has now confirmed an agreement reached with the Parliament on the directive in December last year (see press release of 19 December 2018).

According to the press release several provisions were added or amended compared to the Council's positions including the introduction of provisions on the duties of company directors in insolvency proceedings, an article on worker's rights to recall that member states should ensure that the existing rights of workers under national and Union law are not affected by the preventive restructuring procedure and provisions on the appointment of a restructuring practitioner.

The text still has to be formally adopted by the Council and Parliament. Member states will then have 2 years for implementation, although they can ask the Commission for an additional year for implementation.