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The resolution of over-indebtedness crisis

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Recently, the legislature has broadened the appeal to the recomposition of the business crisis procedures, extending that opportunity also to subjects so-called "not fallible" by introducing the instrument of settlement of over-indebtedness crisis. To understand the contents, we met Prof. **Saverio Signori**, with its team of professionals, assists, as financial advisor, large companies in the restructuring and reorganization proceedings. **What is the real innovative scope of the recent regulatory changes on the over-indebtedness crisis?** "The legislature has filled a gap of bankruptcy rules, extending the use of the composition of the negotiating tools even to those so-called "not fallible", ie farmers and all institutions and individuals who, for subjective and/or dimensional requirements, are not qualifying the bankruptcy law. These entities can propose to creditors a restructuring plan providing for the satisfaction of debts through any form (even resorting to the assignment of future receivables or excerpt forms). The plan shall indicate the deadlines and the payment method to creditors, in addition to any issue of guarantees for the respect of the undertaken obligations".

The standard provides for the involvement of other subjects?

"In the plan has involved the Organization for the composition of the territorial jurisdiction crisis, registered with a special Ministry of Justice registry. The Organization, ascertained the feasibility of the plan, has the task to help the debtor in the preparation of documents to be filed with the Court. The same can present to the offices a deferred payment proposal of the central government debt and in some cases the dropping of the same. The Court shall approve the plan based on the correctness of the procedure and with the consent of at least 60% of creditors, except those equipped with privilege, pledge and mortgage".

How it is effective against creditors?

"The approved plan is valid and effective for all creditors, including those who have not consented to them. To the debtor is recognized the liberation from debts may still not honored and the protection from enforcement actions in respect of its assets. This prohibition does not work against the loan holders "undistrainable". In conclusion, this legislation represents a valuable tool for all those subjects not fallible, burdened by excessive debt, which show a capacity to meet its commitments arising from the plan on the basis of cash flows arising from its business or liquidation of its assets.