# Harmonising certain aspects of insolvency law

2022/0408(COD) - 01/04/2026 - Final act

PURPOSE: to harmonise certain key aspects of insolvency rules across the EU.

LEGISLATIVE ACT: Directive (EU) 2026/799 of the European Parliament and of the Council harmonising certain aspects of insolvency law.

CONTENT: by harmonising key aspects of insolvency rules across the EU, this directive aims to make the EU business environment more attractive to cross-border investors by reducing the complexity of different national insolvency rules.

The new EU-wide rules will maximise the value which creditors can recover from the insolvent company and to increase the efficiency of the insolvency proceedings. This is an important step towards more efficient and integrated European capital markets that are crucial to the EU's competitiveness.

This directive establishes common rules concerning the following aspects:

***Avoidance actions***

Avoidance actions challenge transactions of the debtor taken before the start of the bankruptcy procedure and, as such, protect the insolvency estate against the illegitimate removal of assets. Member States will apply the **same (minimum) standards** when it comes to taking action to prevent debtors from reducing the value that creditors can obtain following the insolvency of a company.

***Tracing assets that belong to the insolvency estate***

Member States will have to designate courts or administrative authorities which, at the request of an insolvency practitioner, may **search bank account registers** throughout the EU to identify the assets of insolvent companies. This requirement is accompanied by rules relating to the conditions of access and the monitoring of access procedures.

Insolvency practitioners will also have access to **beneficial ownership** registers and certain national registers and databases.

***The pre-pack proceeding***

In a pre-pack proceeding, the sale of the debtor's business is prepared and negotiated before the formal opening of the insolvency proceedings. This makes it possible to execute the sale and obtain the proceeds shortly after opening the formal insolvency proceedings intended to liquidate a company.

The pre-pack proceeding will make it possible to **automatically transfer contracts** which are essential for the continuation of the business (i.e. executory contracts) from the debtor to the buyer of the business without the consent of the debtor's counterparty. However, the new EU directive will contain a number of **safeguards** to protect the freedom of contract. Moreover, it is ensured that individual and collective worker's rights under Union and national law are not affected.

The pre-pack proceedings must comprise **two phases: a preparation phase and a liquidation phase**. Member States will ensure that, at the initiative of a debtor, the preparation phase starts when a **monitor** is appointed. The monitor should be independent from the debtor and any party closely related to the debtor.

The liquidation phase will begin when a decision is made to open insolvency proceedings, in accordance with national law.

***Directors' obligations***

The directive requires directors to submit the request for the opening of insolvency proceedings **within three months** of becoming aware that the company is in financial distress. Thereby, maximising the value which creditors can recover from insolvent companies and increase the efficiency of the insolvency proceedings. A Member State may provide that the obligation to file for insolvency is suspended if a director takes other measures to avoid damage for the creditors of a company and to ensure a level of protection of the creditors that is equivalent to the protection provided by the duty to file for insolvency proceedings.

***Creditors' Committees***

Creditors' committees will need to be established in all Member States under certain circumstances. These committees will allow for **greater creditor participation in insolvency proceedings**, particularly where creditors would otherwise be prevented from participating individually due to limited resources, the economic significance of their claims, or a lack of geographical proximity.

The directive clarifies the functions of creditors' committees as well as the requirements, obligations and procedures relating to the appointment of their members.

***Key information sheets***

In order to improve the transparency of national insolvency proceedings, each Member State will draw up, by 22 July 2029 at the latest, a key information sheet on the essential elements of national law relating to insolvency proceedings and submit it to the Commission via the European e-Justice portal in an official language of the Union institutions.

ENTRY INTO FORCE: 21.4.2026.

TRANSPOSITION: no later than 22.1.2029.