

Basic information	
<p>2022/0408(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Directive</p>	Procedure completed
<p>Harmonising certain aspects of insolvency law</p> <p>Subject</p> <p>3.45.01 Company law 3.45.03 Financial management of undertakings, business loans, accounting</p> <p>Legislative priorities</p> <p>Joint Declaration 2022 Joint Declaration 2023-24</p>	

Key players					
European Parliament	Committee responsible		Rapporteur	Appointed	
	JURI Legal Affairs		RADEV Emil (EPP)	14/10/2024	
	Former committee responsible		Former rapporteur	Appointed	
	JURI Legal Affairs		ARIMONT Pascal (EPP)	28/02/2023	
	Committee for opinion		Rapporteur for opinion	Appointed	
	ECON Economic and Monetary Affairs		REPASI René (S&D)	12/09/2024	
	Former committee for opinion		Former rapporteur for opinion	Appointed	
	ECON Economic and Monetary Affairs		REPASI René (S&D)	01/03/2023	
	IMCO Internal Market and Consumer Protection		The committee decided not to give an opinion.		
	Council of the European Union				
	European Commission	Commission DG		Commissioner	
		Justice and Consumers		REYNDERS Didier	

Key events

Date	Event	Reference	Summary
07/12/2022	Legislative proposal published	COM(2022)0702 	Summary
26/01/2023	Committee referral announced in Parliament, 1st reading		
13/11/2024	Committee referral announced in Parliament, 1st reading		
24/06/2025	Vote in committee, 1st reading		
24/06/2025	Committee decision to open interinstitutional negotiations with report adopted in committee		
01/07/2025	Committee report tabled for plenary, 1st reading	A10-0126/2025	Summary
07/07/2025	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
09/07/2025	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
11/12/2025	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2025)005854 PE786.872	
09/03/2026	Debate in Parliament		
10/03/2026	Decision by Parliament, 1st reading	T10-0057/2026	Summary
10/03/2026	Results of vote in Parliament		
30/03/2026	Act adopted by Council after Parliament's 1st reading		
30/03/2026	Final act signed		
01/04/2026	Final act published in Official Journal		

Technical information

Procedure reference	2022/0408(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Treaty on the Functioning of the European Union TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	JURI/10/00210

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	ECON	PE768.176	20/03/2025	
Committee draft report		PE771.863	20/03/2025	
Amendments tabled in committee		PE773.083	24/04/2025	
Committee report tabled for plenary, 1st reading/single reading		A10-0126/2025	01/07/2025	Summary
Text agreed during interinstitutional negotiations		PE786.872	05/12/2025	
Text adopted by Parliament, 1st reading/single reading		T10-0057/2026	10/03/2026	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2025)005854	08/12/2025	
Draft final act	00064/2025/LEX	25/03/2026	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2022)0702 	07/12/2022	Summary
Document attached to the procedure	SEC(2022)0434 	08/12/2022	
Document attached to the procedure	SWD(2022)0395 	08/12/2022	
Document attached to the procedure	SWD(2022)0396 	08/12/2022	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	CZ_SENATE	COM(2022)0702	14/03/2023	
Contribution	ES_PARLIAMENT	COM(2022)0702	21/03/2023	
Contribution	DE_BUNDESRAT	COM(2022)0702	11/04/2023	
Contribution	CZ_CHAMBER	COM(2022)0702	18/04/2023	
Contribution	PT_PARLIAMENT	COM(2022)0702	15/09/2023	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EDPS	Document attached to the procedure	N9-0018/2023 OJ C 089 10.03.2023, p. 0010	06/02/2023	
	Economic and Social Committee:			

EESC	opinion, report	CES5781/2022	22/03/2023
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Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
Directive 2026/0799 OJ OJ L 01.04.2026

Harmonising certain aspects of insolvency law

2022/0408(COD) - 01/07/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Legal Affairs adopted the report by Emil RADEV (EPP, BG) on the proposal for a directive of the European Parliament and of the Council harmonising certain aspects of insolvency law.

The competent committee recommended that the European Parliament adopt its position at first reading by amending the Commission's proposal as follows.

Minimum standards

The minimum standards provided for in this Directive should aim at approximating the insolvency laws of the Member States, taking into account in particular the following objectives: (i) maximising legal certainty as to the value of companies; (ii) improving the efficiency of insolvency proceedings, both in terms of costs and length; (iii) improving the predictability and fairness of the distribution of value among creditors; and (iv) safeguarding the activities and viability of companies.

Revocable actions

Transactions that are detrimental to creditors must be more effectively challenged. The amendments clarify the conditions for closing loopholes that previously allowed transactions to escape scrutiny. These amendments thus strengthen creditor protection.

Asset tracing mechanisms

Insolvency practitioners should be allowed to **access information contained in bank account registers** indirectly, by requesting the courts or administrative authorities designated in their Member State to be granted access to the bank account registers and to carry out searches.

Access to bank account information should only be granted on a case-by-case basis, where relevant for specific insolvency proceedings for the purpose of identifying and tracing assets belonging to the insolvency estate, as well as assets subject to avoidance actions. However, Member States should be able to adopt or maintain national rules allowing insolvency practitioners to access and consult their bank account registers.

For the purposes of asset tracing, insolvency practitioners should be granted timely access to certain categories of **beneficial ownership** information, such as the name, month and year of birth, country of residence and nationality of the beneficial owner, and the nature and extent of the beneficial interests held.

In order to ensure efficient asset tracing in **cross-border insolvency proceedings**, insolvency practitioners appointed in a Member State should be granted expeditious access to national registers and databases, even if those registers and databases are located in a Member State other than that in which the insolvency practitioner has been appointed. Access should be granted without the intervention of a court or an intermediate authority.

Access to national registers and databases should not be denied solely on the grounds that the applicant is an insolvency practitioner established in another Member State.

Pre-pack proceedings

In order to promote going-concern sales in liquidation, national insolvency regimes should include a pre-pack proceeding, where the debtor in financial distress, with the help of a "monitor", seeks possible interested acquirers and prepares the sale of the business as a going concern before the formal opening of insolvency proceedings.

To guarantee that the sale process is prepared in a fair way, the monitor should be independent of the debtor, the debtor's shareholders, the creditors and any other party having a legal or economic interest in the debtor or the debtor's business.

Member States may introduce pre-pack proceedings in situations where the debtor is in a situation of likelihood of insolvency or is insolvent in accordance with national law. Member States shall ensure that pre-pack proceedings are composed of the following two consecutive phases: namely a preparation phase and a liquidation phase. Those phases should respect the principles applicable to judicial proceedings in each Member State.

Deadline for the duty to submit a request for the opening of insolvency proceedings

Member States should set a time limit for the obligation to submit an application for the opening of insolvency proceedings. That time limit should not exceed three months from the date on which the directors became aware of the company's insolvency. If the company regains its solvency before that time limit, Member States should be able to provide that a new time limit starts to run if the company subsequently becomes insolvent again.

Microenterprises

Member States should be able to maintain or introduce **simplified winding-up procedures** for micro-enterprises, while respecting the high standards of transparency and fairness provided for in this Directive and other relevant instruments. The procedures should be available even where the debtor has no assets or where the available assets are insufficient to cover the costs of the proceedings or the cost of the intervention of an insolvency practitioner.

Members noted that significant legal uncertainties, risks of abuse and administrative burden transferred to SMEs can be caused/ triggered by the provisions related to simplified winding-up proceedings for microenterprises under Title VI. The framework lacks adequate protections for creditors and other stakeholders, potentially resulting in financial losses and reduced trust in insolvency proceedings.

Creditors' Committees

This Directive should strengthen the provisions on creditors' committees, ensuring fair representation of all categories of creditors, including cross-border creditors, and increased transparency in the decision-making process. Fair representation of creditors in the creditors' committee is particularly important for workers who are creditors and for whom a delay in the payment of wages could pose an existential threat.

Harmonising certain aspects of insolvency law

2022/0408(COD) - 10/03/2026 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 498 votes to 90, with 28 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council harmonising certain aspects of insolvency law.

The European Parliament adopted its position at first reading by amending the Commission's proposal as follows.

Avoidance actions

The directive establishes common rules concerning avoidance actions that allow for challenging debtor transactions carried out before the commencement of insolvency proceedings and, as such, protect the insolvency estate against the unlawful withdrawal of assets. In order to protect the value of the insolvency estate for creditors, national insolvency laws should include effective rules on actions for the voidness, voidability or unenforceability of legal acts, including legal transactions, that are detrimental to the general body of creditors and that have been perfected prior to the opening of insolvency proceedings.

Member States may adopt or maintain legislation which provides a level of protection for the body of creditors higher than that provided for by the directive.

Tracing assets

In order for creditors to recover the maximum value from the company in liquidation, each Member State should designate the courts or administrative authorities that are authorised to access and search its national bank account registers and the courts or administrative authorities that are authorised to access and search bank account information on a cross-border basis. This requirement comes with rules about the conditions to get access and monitoring of how the access takes place.

Insolvency practitioners should have timely access to **information on the beneficial owners** of legal entities and of legal arrangements held in interconnected central beneficial ownership registers, as well as to certain national registers and databases, with the aim of improving access for insolvency practitioners regardless of the country in which they are established.

With regard to access to courts by the insolvency practitioners of another Member State, each Member State should ensure that insolvency practitioners appointed in other Member States are not subject to conditions that are less favourable than those applicable to insolvency practitioners appointed in that Member State.

The pre-pack proceeding

A pre-pack proceeding will become available in all EU Member States. In a pre-pack proceeding, the sale of the debtor's business is prepared and negotiated before the formal opening of the insolvency proceedings.

Member States should ensure that pre-pack proceedings are available at least for debtors that are likely to become insolvent in accordance with national law. They may stipulate that the preparation phase cannot be initiated where the debtor is unable to pay its debts as they fall due in accordance with national law.

Debtors who engage in a pre-pack proceeding **must retain full, or at least partial, control of their assets** and the day-to-day management of their business during the preparation phase.

The pre-pack proceedings must comprise **two phases: a preparation phase and a liquidation phase**.

Member States should 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 monitor should document and report on each step of the sale process in writing. The sale process in the preparation phase should be competitive, transparent and fair and meet market standards.

The liquidation phase will begin when a decision is made to open insolvency proceedings, in accordance with national law. The amended text specifies the principles applicable to the preparation phase.

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, in line with the Council's position, 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.

Directors' obligations

The directors of a company that becomes insolvent under national law are required to file for the commencement of **insolvency proceedings**, with the exception of preventive restructuring proceedings. The application must be filed with the court or authority competent for the insolvency proceedings within **three months** of the date on which the directors became aware of the company's insolvency or from the date on which they could reasonably be expected to have become aware of it.

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' Committee

A creditors' committee must be established after the opening of insolvency proceedings if the general meeting of creditors so decides or requests, or, where national law does not provide for a general meeting of creditors, if the creditors request it in accordance with national law. The amended text harmonises certain characteristics of the creditors' committee across Member States, such as its composition, its working methods, and the personal liability of its members.

Key information factsheet

No later than 39 months from the date of entry into force of the directive, each Member State should draw up a key information factsheet on the essential elements of national law on insolvency proceedings and submit it to the Commission through the European e-Justice Portal.

Micro-enterprises

In order to promote an efficient and inclusive insolvency framework that supports entrepreneurship and economic renewal, Member States should be able to maintain or introduce simplified winding-up proceedings for microenterprises.

Harmonising certain aspects of insolvency law

2022/0408(COD) - 07/12/2022 - Legislative proposal

PURPOSE: to harmonise certain corporate insolvency rules across the EU, making them more efficient and helping promote cross-border investment.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: insolvency laws ensure the orderly winding down of companies in financial and economic distress. They are considered as one of the key factors in determining the cost of financial investments, as they allow to establish the final recovery value of investment in insolvent companies.

Insolvency rules are fragmented along national lines. As a result, they deliver different outcomes across Member States, and in particular they have different degrees of efficiency in terms of the time it takes to liquidate a company and the value that can eventually be recovered. In some Member States, this leads to lengthy insolvency procedures and a low average recovery value in liquidation cases. Differences in national regimes also create legal uncertainty as regards the outcomes of insolvency proceedings and lead to higher information and learning costs for cross-border creditors compared to those who only operate domestically

The lack of harmonised insolvency regimes has long been identified as one of the key obstacles to the freedom of capital movement in the EU and to greater integration of the EU's capital markets

Action at EU level is needed to substantially reduce the fragmentation of insolvency regimes. Measures at EU level would ensure a level playing field and avoid distortions of cross-border investment decisions caused by lack of information about and differences in the designs of insolvency regimes. This would help to facilitate cross-border investments and competition while protecting the orderly functioning of the single market

This initiative is part of the Commission's priority to advance the Capital Markets Union (CMU), a key project to further financial and economic integration in the European Union.

CONTENT: the Commission aims to **reduce differences in national insolvency laws** and hence address the issue of more inefficient insolvency laws in some Member States, increasing the predictability of insolvency proceedings in general and lowering obstacles to the free movement of capital. By harmonising targeted aspects of insolvency laws, the proposal aims, in particular, to maximise the recovery of value from the insolvent company for creditors. More uniform insolvency laws should thus expand the choice of funding available to companies across the Union.

Specific provisions of the proposal

This proposal targets the three key dimensions of insolvency law: (i) the recovery of assets from the liquidated insolvency estate; (ii) the efficiency of proceedings; and (iii) the predictable and fair distribution of recovered value among creditors.

It provides for:

- minimum set of harmonised conditions for exercising avoidance actions to protect the insolvency estate from illegitimate withdrawals of assets made prior to the commencement of insolvency proceedings;
- strengthening asset traceability through improved access by insolvency practitioners to asset registers, including in a cross-border setting;
- provisions to introduce so called 'pre-pack' liquidation procedures (i.e. where the sale of the business is agreed before the insolvency begins);
- **provisions on a duty of directors to timely file for insolvency to avoid potential asset value losses for creditors;**
- **simplified liquidation procedure for insolvent microenterprises;**
- **requirements for improving the representation of creditors' interests in the proceedings through creditors' committees;**
- **enhanced transparency** for creditors on the key features of national insolvency regimes, including on the rules governing insolvency triggers and the ranking of claims.

Budgetary implications

This proposal has implications in terms of costs and administrative burden for the Commission. These costs and burden stem from the obligation to create a system interconnecting national electronic auction systems via the European e-Justice Portal. Based on experience with other e-Justice Portal interconnection projects, the implementation costs for the Commission are estimated to be EUR 1.75 million for the current long-term budget (Multiannual Financial Framework). The additional costs will be covered through redeployment within the Justice programme.