

Project "Support for Debt Restructuring in Latvia"

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Strukturālo reformu atbalsta programmas
projekti



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On the 20th September of 2019 The Ministry of Justice launched a project "Support for Debt Restructuring in Latvia" aimed at strengthening support for debt restructuring and improving the capacity of parties to administer cross-border insolvency proceedings. The project is carried out over a period of 18 months.

The project is funded by the European Union through the [Structural Reform Support Programme](#) and is implemented by the EBRD, in cooperation with the European Commission, and with the support of a consortium of financial and legal experts led by PwC Latvia.

The project is:

- identifying legislative or implementation issues hindering debt restructuring in Latvia with an in-depth review of existing practices

- developing strategies and mechanisms to strengthen and encourage the use of debt restructuring at an early stage, including

guidelines on best practices in decision-making for businesses in financial difficulties

training key stakeholders, namely judges, insolvency practitioners and those supervising legal protection proceedings in debt restructuring and cross-border insolvency

raising awareness among the public and private sectors of the benefits of debt restructuring.

As part of the implementation of the project, particular attention is paid to the existing [Restructuring and Insolvency Directive](#), which is to be implemented by Latvia and other member states of the European Union by 17 July 2021^[1]. The objective of this new directive is to contribute to the proper functioning of the internal market and remove obstacles to the exercise of free movement of capital and freedom of establishment, which result from differences between national laws and procedures.

Without affecting workers' fundamental rights and freedoms, the directive aims to remove such obstacles by ensuring that viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks. The latter will enable them to continue operating; and ensure that insolvent or over-indebted entrepreneurs can benefit from a full discharge of debt; and that the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, particularly concerning time taken.

^[1] In accordance with Article 34(1) of the Restructuring and Insolvency Directive, the requirements of Article 28(a), (b) and (c) of that Directive should be introduced by 17 July 2024, while the requirements of Article 28(d) of the Restructuring and Insolvency Directive should be introduced by 17 July 2026. It should also be noted that, in the context of the implementation of this Directive, an extension for up to one year may be used (Article 34(2) of the Restructuring and Insolvency Directive).

Project news:

Latvia concludes review of debt restructuring environment  

Addressing the key issue of improving the insolvency framework and tackling debt restructuring the Ministry of Justice of the Republic of Latvia has completed an 18-month project. The project evaluated Latvia's existing debt restructuring environment and identified areas for improvement. Over 500 stakeholders were trained on practical issues related to debt restructuring and cross-border insolvency proceedings.

More information [here](#).

Guidelines: How to successfully solve business debt problems and webinar in Latvian 



<https://www.tm.gov.lv/en/article/guidelines-how-successfully-solve-business-debt-problems>

Video webinar "New Approach to Debt Restructuring in Latvia: Giving Businesses a Second Chance" 



<https://www.tm.gov.lv/en/article/video-webinar-new-approach-debt-restructuring-latvia-giving-businesses-second-chance>

Project "Debt restructuring in Latvia" has been launched 



<https://www.tm.gov.lv/lv/uzsakts-projekts-atbalsts-paradu-restrukturizacijai-latvija-support-debt-restructuring-latvia-project-launched>

Documents produced in the framework of the project:

Documents produced in the framework of the project 



Guidelines: Best practices in the decision-making process for businesses in financial difficulties

The objective of this material is to guide small and medium-sized companies in Latvia that are facing or are likely to face financial difficulties with an efficient action plan to timely and proactively address these difficulties

Vebināra ierakstu iespējams noskatīties Tieslietu ministrijas kanālā vietnē [YouTube](#).



[Guidelines on best practices in the decision-making process for businesses in financial difficulties](#) 

This report has been prepared for the purposes of identifying legislative or implementation issues hindering Debt Restructuring in Latvia with an in-depth review of existing practices.

 [Analysis of Key Policy Areas of Reform in the Existing Framework Governing Debt Restructuring in Latvia](#) 

 [Report attachment](#) 

<https://www.tm.gov.lv/en/projects/project-support-debt-restructuring-latvia>