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Luxembourg

RESTRUCTURING & INSOLVENCY

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This country-specific Q&A provides an overview of restructuring & insolvency laws and regulations applicable in Luxembourg.

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LUXEMBOURG
RESTRUCTURING & INSOLVENCY

1. What forms of security can be granted over immovable and movable property? What formalities are required and what is the impact if such formalities are not complied with?

For immovable property, mortgages are generally the most common form of security in Luxembourg. For a contractual mortgage to be validly constituted, it must:

- be created by notarial deed, indicating the nature and location of the immovable property over which the mortgage is being granted; and
- be granted for an evidenced amount.

For a mortgage to be legally binding and effective against third parties, it must be registered in the Luxembourg mortgage register within the district in which the property is located. The registration will be valid for 10 years.

For movable property, the most frequently used security are financial collateral arrangements governed by the Luxembourg Collateral Law of 2005, as amended (the **Collateral Law**). Financial collateral arrangements include any pledge, or assignment by way of security, for financial instruments and receivables (including most types of shares and bonds) and are "bankruptcy remote". Under the Collateral Law, any party, including non-commercial, non-regulated parties, may grant, or benefit from, security. In addition, the Collateral Law offers extensive contractual freedom, specifically in respect of the enforcement trigger (not being limited to a payment default) and allows for very efficient out of court enforcement options (appropriation and private sale).

Contrary to mortgages, there is no public register for moveable assets, typically pledged or assigned under the Collateral Law, and perfection formalities are done *via* notifications or registrations in private registers typically held by the company or a custodian.

The formalities to perfect a pledge and make it enforceable against third parties differ depending on the type of security asset:

- Shares/PECs: the pledge should be recorded in the shares/notes/certificates register held by the issuing entity.
- Account(s): as most banks in Luxembourg have a first lien on accounts held with them under their general terms and conditions, such banks will need to waive their lien to put into place a first lien security in favour of a third-party pledgee.
- Receivables: in principle, a receivables pledge is valid between the parties on the date it is entered into but its enforceability against third party debtors is subject to their notification thereof. In practice, depending on the receivables and debtors involved, notification will be made on the date of the pledge or later, such as upon the occurrence of an event of default.

2. What practical issues do secured creditors face in enforcing their security (e.g. timing issues, requirement for court involvement)?

Enforcement of security under the Collateral Law is both quick and cost efficient (notwithstanding the valuation by an expert, if needed) and may be done out of court – even in a bankruptcy scenario.

The Collateral Law permits the enforcement of a pledge over shares, accounts, and claims upon the occurrence of a trigger event (contractually determinable by the parties and which does not have to be a payment default) without prior notice. Furthermore, upon enforcement, it provides for a variety of in and out of court enforcement processes. In practice, the two most commonly used enforcement procedures are (i) the appropriation of the collateral (either by the pledgee or a third party) using a contractually determined valuation method and at a valuation that usually occurs after the appropriation has taken place and (ii) the private sale at “normal commercial conditions”.

There is no specific period within which enforcement must occur. Timing will depend on:

- the enforcement method chosen,
- any possible recourse of the security provider (although unlikely to succeed), and
- the potential involvement of third parties (e.g., courts, stock exchanges or valuation experts).

Security interests not governed by the Collateral Law are more burdensome to put in place and to enforce, are time consuming and costly, and in case of bankruptcy, will normally require court/receiver involvement.

In addition to the security above, a business pledge is also available under Luxembourg law. It is rarely used because of the costs involved in putting it in place. In addition, a business pledge can only be granted to these credit institutions which have been so authorised by the Luxembourg government. Assets that can be pledged by way of business pledge include licences, trademarks, patents, leases, furniture, inventory, and stock.

3. What is the test for insolvency? Is there any obligation on directors or officers of the debtor to open insolvency procedures upon the debtor becoming distressed or insolvent? Are there any consequences for failure to do so?

For a commercial company, the substantive and cumulative test for insolvency under Luxembourg jurisprudence is met where the company:

- has ceased payments and is unable to meet its commitments (i.e., it cannot or does not fully pay its debts as they fall due), and
- has lost its creditworthiness (i.e., it is unable to obtain new credit or extensions etc. from any source).

The directors of a Luxembourg company have a statutory obligation to file for bankruptcy within one month of the cessation of payment and directors may incur both criminal and civil liability if they fail to file within the set timeframe.

4. What insolvency procedures are available in the jurisdiction? Does management continue to operate the business and/or is the debtor subject to supervision? What roles do the court and other stakeholders play? How long does the process usually take to complete?

Under Luxembourg insolvency laws, three types of proceedings may be opened against a Luxembourg company:

- bankruptcy proceedings (*faillite*),
- controlled management proceedings (*gestion contrôlée*), and
- composition proceedings (*concordat préventif de la faillite*).

The most common proceedings initiated in Luxembourg are bankruptcy proceedings. The aim of which is the winding-up of the debtor’s assets in the best interests of the bankruptcy estate and its creditors.

Once bankruptcy proceedings have been initiated, the court will appoint a bankruptcy receiver (*curateur*) (the **Receiver**) and a supervisory judge (*juge-commissaire*). Upon the appointment of the Receiver, the debtor loses control over the proceedings and the directors are removed from their function. The Receiver takes control of the company to realise the company’s assets and ultimately distribute the proceeds to the creditors and, if any surplus is available, to the shareholders. Creditors also have no control over the proceedings or over the Receiver’s actions. The Receiver may or may not, at its discretion, consult the creditors or shareholders as part of the liquidation and has very extensive powers in deciding how to conduct the liquidation.

In practice, bankruptcy proceedings tend to last a significant amount of time, ranging from a couple to many years. As Luxembourg law does not provide for a set timeframe for completion, the timeframe notably depends on the complexities of the bankruptcy and the efficiency of the Receiver on a case-by-case basis.

Where a company has pursued illegal activities or has seriously infringed any laws applicable to commercial companies generally, it may become subject to a compulsory liquidation ordered by a court on the application of the state prosecutor.

5. How do creditors and other stakeholders rank on an insolvency of a debtor? Do any

stakeholders enjoy particular priority (e.g. employees, pension liabilities)? Could the claims of any class of creditor be subordinated (e.g. equitable subordination)?

In general, the priority of preferential rights in bankruptcy proceedings in Luxembourg can be split and ranked into three main categories:

- creditors of the bankruptcy, including legal expenses incurred after the opening of bankruptcy proceedings in the interests of all creditors,
- preferred creditors of the bankruptcy estate in the following order:
- preferred creditors by law (e.g., certain employee claims and claims in favour of Luxembourg tax and social security authorities); and
- creditors with non-bankruptcy proof security (both contractual and judicial in nature), and
- ordinary unsecured creditors.

It should be noted that Luxembourg law does not recognise the concept of equitable subordination. Therefore, shareholders are treated as subordinated creditors by virtue of holding equity only and being a shareholder will not affect their position or rank if they are also creditors in their own right.

It is also worth mentioning that secured assets qualifying as financial collateral under the Collateral Law and/or subject to a mortgage are considered bankruptcy remote and will not fall within the bankruptcy estate. The holders of such security will therefore not be included in the bankruptcy waterfall.

6. Can a debtor's pre-insolvency transactions be challenged? If so, by whom, when and on what grounds? What is the effect of a successful challenge and how are the rights of third parties impacted?

A debtor's pre-insolvency transactions and corporate acts can be affected by bankruptcy proceedings if they were concluded during the claw-back period (*période suspecte*), which dates back to a maximum of six months from the bankruptcy judgement.

Certain payments, as well as transactions concluded or performed during the claw-back period may be subject to cancellation by the court at the request of the Receiver. The following transactions may be set aside or declared null and void:

- payment of debts that have not fallen due,
- sale of assets without or for inadequate consideration,
- granting of a security interest for pre-existing, antecedent, debts (i.e. for past consideration),
- payment of certain debts that have fallen due, but that arose during the claw-back period (or 10 days preceding it), and
- payments made for mature debts as well as other transactions concluded for consideration during the claw-back period if the counterparty knew or could reasonably be expected to have been aware of the bankrupt debtor's cessation of payments.

Finally, the Receiver may, without any limitation in time, challenge any fraudulent transaction or payment.

7. What form of stay or moratorium applies in insolvency proceedings against the continuation of legal proceedings or the enforcement of creditors' claims? Does that stay or moratorium have extraterritorial effect? In what circumstances may creditors benefit from any exceptions to such stay or moratorium?

Once insolvency or bankruptcy proceedings are opened, a stay is imposed on creditors who can no longer enforce their rights against the bankrupt company individually. This stay only has territorial effect unless a specific regulation extends its effects, such as Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the **EU Insolvency Regulation**). Bankruptcy remote secured creditors, such as mortgagees or beneficiaries of a security under the Collateral Law, can continue to enforce their rights irrespective of the opening of proceedings.

8. What restructuring and rescue procedures are available in the jurisdiction, what are the entry requirements and how is a restructuring plan approved and implemented? Does management continue to operate the business and/or is the debtor subject to supervision? What roles

do the court and other stakeholders play?

In Luxembourg, a formal debt reorganisation can be effected either through a suspension of payments (*sursis de paiements*), controlled management (*gestion contrôlée*) or a composition with creditors (*concordat préventif de la faillite*). These proceedings tend to be lengthy, costly, and lack the desired level of flexibility and predictability, and consequently are very rarely used in practice for commercial (non-regulated) companies.

As a result of these shortcomings, in cases of international debt restructurings involving a Luxembourg component (such as Luxembourg holding or issuing companies), the use of popular foreign restructuring proceedings such as U.S. Chapter 11 and other DIP proceedings has increased over the years. This is further discussed in Q24.

Suspension of payments: Initiated by the debtor, this procedure allows a commercial company facing temporary liquidity problems to avail itself of a stay until its payment obligations can be met.

A suspension of payments will be granted by the relevant court only if (i) the debtor's temporary financial difficulties are due to extraordinary and unexpected circumstances, and (ii) the debtor has sufficient means to pay off all its creditors or the debtor is in a situation where it appears likely that it can re-establish a proper balance between its assets and liabilities.

The court has the power to grant a temporary stay either immediately or at a later stage of the proceedings. However, a suspension of payments requires (i) the consent of a majority of creditors representing at least 75% of the debtor's liabilities, and (ii) the approval of the relevant court.

This is not, *per se*, a debtor in possession proceeding and while management of the company will remain in place, the relevant court order will appoint one or more commissioners to supervise their actions.

Controlled management: A commercial company may apply for controlled management to either reorganise and restructure its debt and business, or to realise its assets in the best interest of its creditors.

To be eligible, the debtor must be acting in good faith and must demonstrate that its creditworthiness is impaired, or that it is facing difficulties in meeting all its commitments, and that its creditors are contemplating enforcement proceedings.

For an order for controlled management to be granted, more than 50% of the creditors (in number) representing more than 50% of the debtor's outstanding debts must approve the plan, which in turn must be approved by the court. A reorganisation plan must consider all interests at stake and comply with the ranking of privileges and mortgages. Once approved, the reorganisation plan will be binding on all creditors including dissenting creditors, and creditors that abstain from voting will be deemed to have consented to it.

Composition with creditors: Lastly, a commercial company may apply for a composition with creditors with the aim of avoiding bankruptcy, which would allow a debtor facing financial difficulties (but not yet meeting the criteria for insolvency) to negotiate a settlement or a rescheduling of its debts with its creditors.

To be eligible, the debtor must, in the eyes of the court, be unfortunate and acting in good faith. Furthermore, the application requires the consent of the majority of the creditors representing 75% of the debtor's liabilities.

The procedure tends to be very unattractive for debtors as only unsecured creditors and secured creditors who have waived their rights (or voted in favour of the composition) are bound by the composition and the composition has no effect on creditors who did not participate in the composition proceedings.

9. Can a debtor in restructuring proceedings obtain new financing and are any special priorities afforded to such financing (if available)?

Luxembourg law does not have any statutory provisions dealing specifically with new money financing, but a receiver would normally be bound by the contractual agreements in place, including the ranking of any new financing arrangements.

10. Can a restructuring proceeding release claims against non-debtor parties (e.g. guarantees granted by parent entities, claims against directors of the debtor), and, if so, in what circumstances?

The restructuring proceedings under Luxembourg law do not foresee a specific mechanism by which liabilities of third parties may be released.

11. Is it common for creditor committees to be formed in restructuring proceedings and what powers or responsibilities do

they have? Are they permitted to retain advisers and, if so, how are they funded?

In practice, the aforementioned restructuring proceedings are rarely used, particularly in larger, cross-border, restructurings. While not common, the competent court can, in a composition proceeding, convene a creditors' meeting to approve the composition of creditors in a composition proceeding. Similarly, in a controlled management scenario the creditors will be asked to assent to the proposal. In both situations the creditors can decide to form a creditor or steering committee of their own volition, but any powers and responsibilities would be bespoke and contractually agreed between the creditors and would need to give them the necessary majorities for them to wield any influence. Luxembourg law does not specifically provide for creditor committees, other than those convened by the supervising judge, and they would need to be self-funded unless otherwise agreed with the debtor as part of the restructuring plan. There is no creditor committee practice similar to the UK or the US in Luxembourg insolvency proceedings.

12. How are existing contracts treated in restructuring and insolvency processes? Are the parties obliged to continue to perform their obligations? Will termination, retention of title and set-off provisions in these contracts remain enforceable? Is there any ability for either party to disclaim the contract?

In principle, contracts of a bankrupt company are not automatically terminated upon commencement of bankruptcy proceedings, save for *intuitu personae* agreements (such as proxies) and contracts that specifically include bankruptcy as a termination event. The bankruptcy receiver cannot, in principle, cherry pick and must comply with applicable contractual terms.

Nevertheless, the bankruptcy receiver may request that the bankruptcy judge terminate an agreement by establishing that the termination is in the interest of the bankruptcy estate.

Similarly, restructuring proceedings under Luxembourg law do not specifically provide for contracts to be set aside or repudiated by the debtor without the counterparties' consent.

13. What conditions apply to the sale of assets / the entire business in a restructuring or insolvency process? Does the purchaser acquire the assets "free and clear" of claims and liabilities? Can security be released without creditor consent? Is credit bidding permitted? Are pre-packaged sales possible?

In a Luxembourg bankruptcy scenario, once a Receiver is appointed, it is incumbent on him to realise the assets of the debtor, which third parties will purchase free and clear of any encumbrances, through sales and dispositions. The Receiver will usually first obtain the prior consent of the supervisory judge, especially regarding valuable immovable assets.

While the concept of credit bidding does not exist under Luxembourg law, creditors can propose to purchase certain assets from the bankruptcy estate and the Receiver may indeed decide to launch such a process. There is, however, no obligation on the part of the Receiver to act upon creditors' demands or proposals.

In practice, in the context of an international restructuring, creditors often make use of a consensual enforcement of a Luxembourg financial collateral security to allow for a "clean" transfer of the business to the creditor group and thereby arrange for a "pre-packaged" sale.

14. What duties and liabilities should directors and officers be mindful of when managing a distressed debtor? What are the consequences of breach of duty? Is there any scope for other parties (e.g. director, partner, shareholder, lender) to incur liability for the debts of an insolvent debtor?

When managing a distressed debtor, directors must ensure that they keep informed of the financial status and evolving situation of the company, including its restructuring or liquidation options and the enforcement risks. Directors should ensure that these topics are discussed during regular and frequent board meetings. The decision making and discussion process should be carefully recorded in the board minutes or other formal means to demonstrate, should the company plunge into bankruptcy at a later stage, that the directors acted prudently, diligently and loyally towards the company as a whole. Evidence in board minutes of the discussions and strategic approach taken, even if risky, are the best protection directors can have against claims from the

Receiver or a third party.

Directors have a statutory obligation (currently lifted as part of the Covid emergency rules) to file for bankruptcy within one month of the cessation of payment. Directors can be held liable under Luxembourg law if the breach their filing obligations but also, generally, for:

- the non-execution of their mandate;
- any misconduct in the management of the Company's affairs; and
- any damages caused by their fault or negligence (liability based in tort (*responsabilité délictuelle*) under Article 1382 of the Luxembourg Civil code).

If a shareholder had actively interfered in the management of the company, a prejudiced third party may have an action against it on the basis that they acted as a *de facto* director. The same would apply to any creditor having interfered with management or considered to have made management decisions in respect of the company.

15. Do restructuring or insolvency proceedings have the effect of releasing directors and other stakeholders from liability for previous actions and decisions?

Restructuring and insolvency proceedings under Luxembourg law do not have the effect of absolving directors and other stakeholders from their liability. For directors to avoid being held liable, they must be able to demonstrate that they have always acted in the best interest of the company.

16. Will a local court recognise foreign restructuring or insolvency proceedings over a local debtor? What is the process and test for achieving such recognition? Does recognition depend on the COMI of the debtor and/or the governing law of the debt to be compromised? Has the UNCITRAL Model Law on Cross Border Insolvency or the UNCITRAL Model Law on Recognition and Enforcement of Insolvency-Related Judgments been adopted or is it under consideration in your country?

Luxembourg has, to date, not adopted the UNCITRAL Model Laws and there are currently no plans by the acting Government to do so.

Recognition by Luxembourg courts of third country (non-EU) insolvency proceedings.

Luxembourg private international law recognises the principle of universality and unicity of insolvency proceedings and Luxembourg case law suggests that there can only be a single insolvency proceeding per company. Luxembourg courts generally hold that the courts of the jurisdiction of the principal establishment of the debtor are competent to open insolvency proceedings and to rule on insolvency-related matters in connection with that debtor. In Luxembourg, there is no recognition of jurisdiction based on the localisation of assets or any other connection with a jurisdiction.

For foreign (non-EU) insolvency proceedings to be enforceable against assets located in Luxembourg, the judgement must follow the *exequatur* recognition procedure. An exequatur procedure includes:

- possible checks on the validity of the foreign court's jurisdiction to rule on the case according to the Luxembourg conflict of jurisdiction rules;
- the respect of the defendant's rights of defense;
- the non-contravention of Luxembourg international public policy; and
- a determination by a Luxembourg judge that Luxembourg law has not been evaded (*fraude à la loi*) as a result of the judgment.

Security interests that fall under the Collateral Law would, in principle, remain enforceable in Luxembourg regardless of the opening of any foreign insolvency procedures or any foreign judgments on insolvency.

Impact of Brexit on the recognition by Luxembourg courts of English insolvency proceedings. Any English insolvency proceedings opened after the 1 January 2021 will be recognised in accordance with the above provisions for third (non-EU) countries, which is of course much more cumbersome and uncertain than an EU regulation based automatic recognition. We are not aware of any challenges to the recognition of English proceedings in Luxembourg following the Brexit implementation date**.**

17. For EU countries only: Have there been any challenges to the recognition of English proceedings in your jurisdiction following the Brexit implementation date? If yes, please provide details.

Luxembourg courts recognition of EU member

state insolvency proceedings. Insolvency proceedings within the scope of the EU Insolvency Regulation (which determines jurisdiction based on the COMI of a company) are automatically recognised in Luxembourg. Secondary insolvency proceedings may also be initiated before the courts of another Member State against the same debtor in any Member State where it has an establishment. The effects of these secondary proceedings are however limited to the assets situated in the establishment Member State.

18. Can debtors incorporated elsewhere enter into restructuring or insolvency proceedings in the jurisdiction? What are the eligibility requirements? Are there any restrictions?

The EU Insolvency Regulation of course holds that the centre of main interest is the criterion on which the insolvency court's jurisdiction is based. Luxembourg courts apply the EU Insolvency Regulations' presumption that the centre of main interest of a debtor corresponds to its registered office (as well as any rebuttals under the said regulation) and will apply to the factual criteria specified therein. A foreign EU debtor whose centre of main interest is in Luxembourg may therefore enter insolvency proceedings in Luxembourg.

In cases where the EU Insolvency Regulation is not applicable, Luxembourg courts have held that the courts in the jurisdiction of the principal establishment/central administration of a company should have jurisdiction.

In Luxembourg, there is no recognition of jurisdiction based on the location of a company's assets or any other connection with another jurisdiction.

19. How are groups of companies treated on the restructuring or insolvency of one of more members of that group? Is there scope for cooperation between office holders?

Akin to many other European jurisdictions, Luxembourg does not recognise the concept of a "group" or "consolidation" in a restructuring or insolvency context. Each member of a group is considered individually, as are their assets (except in certain situations where the corporate veil may be pierced, and the insolvency extended to the relevant shareholder or director). Therefore, a debtor can be put into bankruptcy or become insolvent without necessarily affecting any of its affiliates.

In practice, should a group have several members subject to insolvency proceedings in various countries, there will often be some form of cooperation between the receiver appointed by the court in Luxembourg and foreign insolvency professionals appointed by foreign courts for other group companies.

20. Is your country considering adoption of the UNCITRAL Model Law on Enterprise Group Insolvency?

Similar to the UNCITRAL Model Law on Cross Border Insolvency and the UNCITRAL Model Law on Recognition and Enforcement of Insolvency-Related Judgments mentioned in Q16, Luxembourg has to date not adopted the UNCITRAL Model Law on Enterprise Group Insolvency and as far as we are aware, there is currently no political momentum to do so.

21. Did your country make any changes to its restructuring or insolvency laws in response to the Covid-19 pandemic? If so, what changes were made, what was/is their effect and were/are they temporary or permanent?

While there have been no changes made to the restructuring and insolvency framework *per se,* the Luxembourg Government has, in response to the COVID-19 crisis, temporarily suspended the time limits within which a company meeting the insovency test needs to file for bankruptcy.

22. Are there any proposed or upcoming changes to the restructuring / insolvency regime in your country?

Albeit not due to its restructuring and insolvency laws which give few alternative options to a Luxembourg entity that to go trough a liquidation bankruptcy proceeding, Luxembourg is generally considered to be a creditor-friendly jurisdiction due to the very wide implementation of the Directive 2002/47/EC on financial collateral arrangements. The Collateral Law covers pledges and assignments of any financial instruments and receivables. As any security under the Collateral Law is considered "bankruptcy proof", such security (often attached to a so-called "Double Luxco" structure) has become a very popular option for creditors, both in regular financings and in a restructuring scenario. By way of illustration, Luxembourg share pledge enforcements are frequently used to take control of a group (the well-known "single point of enforcement" tool) but also to allow for a "pre-pack" like process to be implemented in a restructuring scenario (an approach which has been used in high profile restructuring cases even as part of a foreign restructuring process).

23. Is it a debtor or creditor friendly jurisdiction?

Albeit not due to its restructuring and insolvency laws which give few alternative options to a Luxembourg entity that to go trough a liquidation bankruptcy proceeding, Luxembourg is generally considered to be a creditor-friendly jurisdiction due to the very wide implementation of the Directive 2002/47/EC on financial collateral arrangements. The Collateral Law covers pledges and assignments of any financial instruments and receivables. As any security under the Collateral Law is considered "bankruptcy proof", such security (often attached to a so-called "Double Luxco" structure) has become a very popular option for creditors, both in regular financings and in a restructuring scenario. By way of illustration, Luxembourg share pledge enforcements are frequently used to take control of a group (the well-known "single point of enforcement" tool) but also to allow for a "pre-pack" like process to be implemented in a restructuring scenario (an approach which has been used in high profile restructuring cases even as part of a foreign restructuring process).

24. Do sociopolitical factors give additional influence to certain stakeholders in restructurings or insolvencies in the jurisdiction (e.g. pressure around employees or pensions)? What role does the state play in relation to a distressed business (e.g. availability of state support)?

Much like other European countries, the legal framework of Luxembourg attempts to protect employees in a distressed company scenario. That being said, outside the regulated sphere, intervention of regulators in insolvencies is very limited.

In most major international restructurings involving Luxembourg companies, the companies involved were holding or note issuing SPV companies with very few to no employees and thus the potential local impact was relatively low.

Furthermore, The Luxembourg Government has provided additional short-term aid in the form of, amongst others, short-time working schemes, additional emergency allowances for small businesses and self-employed workers – within certain parameters, and paid family leave programs.

25. What are the greatest barriers to efficient and effective restructurings and insolvencies in the jurisdiction? Are there any proposals for reform to counter any such barriers?

Luxembourg rescue proceedings are considered too formal, costly, and burdensome and are therefore not extensively used. Consequently, the most common local insolvency proceeding is a filing for bankruptcy with no rescue option.

Since 2018, we have seen a substantial increase in major international debt restructurings involving Luxembourg entities and we anticipate this trend to continue or even accelerate post pandemic. In many of these cases, the Luxembourg holding or bond issuing entities were key to the international corporate group and after the group failed to reach a consensual compromise with their creditors, these ended up in foreign restructuring proceedings, such as a US Chapter 11 proceeding or other popular DIP proceedings.

The Draft Bill also aims to, *inter alia*, reduce the dependency on bankruptcy proceedings and encourage companies in the early stages of financial difficulties to make use of available tools/aids and ensure the continued viability of the business. It however remains to be seen if the measures proposed will be ambitious enough to offer Luxembourg companies real and efficient court driven restructuring and recovery options.

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