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### Insolvency/bankruptcy

If a company or entrepreneur gets into financial distress, or cannot pay its debts, specific proceedings are available in every country to address the situation inclusively, involving all the creditors (parties who are owed money).

Insolvency proceedings differ according to their objectives:

#### *Companies*

If the company **can be saved** or the business is viable – its debts may be **restructured** (usually in agreement with creditors). This is to safeguard the firm and preserve jobs.

If the business **cannot be saved**, the company must be wound up (it 'goes bankrupt').

#### *Entrepreneurs*

Can usually apply for a procedure involving an **ordered repayment plan** for their debts and a debt-discharge following a reasonable period of time (3 years, usually). This ensures they are not personally bankrupted and can launch further ventures in future.

In all cases, as soon as the proceedings are formally opened, creditors can no longer take individual action to reclaim their debts. This is to ensure all creditors are on an equal footing and protect the debtor's assets.

To be paid, creditors must prove their claims, either to the court or to the body (generally an **administrator** or **liquidator**) responsible for reorganising or liquidating the debtor's assets. In specific circumstances, this can be done by the debtor themselves.

#### **Cross-border insolvency (EU rules)**

Insolvency cases involving companies or entrepreneurs with activities, assets or affairs in several countries can be resolved under EU law – specifically [Regulation 2015/848](#) (see here for a [summary of how it works](#)).

*Forms referred to in Regulation 2015/848*

Notice of insolvency proceedings [PDF](#) (372 KB) [en](#)

Lodgement of claims [PDF](#) (392 Kb) [en](#)

Objection with regard to group coordination proceedings [PDF](#) (265 Kb) [en](#)

#### **National procedures**

Please select the relevant country's flag to obtain detailed national information.

#### **Related link**

[Insolvency registers](#)

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