Insolvency 2021

Romania: Law & Practice
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Romania: Trends & Developments
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1. STATE OF THE RESTRUCTURING MARKET

1.1 Market Trends and Changes
During the first eight months of 2021, 3,800 Romanian companies have become insolvent, an increase of over 7% compared to the same period of 2020. The most vulnerable and affected sectors are retail, construction, hospitality, vehicle repairs and manufacturing.

Although The World Bank estimates a 7.3% overall increase of the Romanian economy in 2021, this is not enough to reverse the negative trend. A significant decrease in the number of insolvencies is not likely to happen soon, as the risk of contamination effect among the suppliers of the insolvent companies remains high while the funding opportunities of the companies are limited. In the medium-term, evolution is possible if Romania manages to implement all projects and absorb all available funds detailed in the National Recovery and Resilience Plan (the “Romanian PNRR”) approved in September 2021.

COVID-19
Some of the new insolvent debtors have benefited from the special provisions of Law 55/2020, which remains in force, as the state of alert due to the COVID-19 pandemic has been successively extended in Romania. Interim provisions include: the removal of the obligation to request the opening of insolvency proceedings (within 30 days from its occurrence) during the state of alert, the possibility of extending the term to propose a reorganisation plan by three months; and the possibility of an extension of the reorganisation plan from four to five years.

State aid support packages were adopted in 2020 to help small and medium companies cope with the effects of the COVID-19 crisis under the form of grants. Three measures were put in place:

• microgrants for up to EUR2,000;
• working capital grants from EUR2,000 to EUR150,000; and
• investment grants from EUR50,000 to EUR200,000 (measure cancelled in 2021).

Changes in 2021
As electricity and natural gas prices have surged in the second half of 2021, the Romanian government has launched in public debate new measures of support for small- and medium-sized companies meant to prevent them entering into insolvency or bankruptcy.

Law 85/2014, which represents the current legal framework for insolvency of companies in Romania, suffered one small modification in 2021 by Emergency Ordinance 10/2021 enabling the Insurance Guarantee Fund to make payments to the insured, even before the sentence by which the procedure of the insurance company is opened becomes final.

Substantial modifications are expected to be adopted in 2022 following the transposition of the Restructuring and Insolvency Directive (Directive (EU) 2019/1023).

2. STATUTORY REGIMES GOVERNING RESTRUCTURINGS, REORGANISATIONS, INSOLVENCIES AND LIQUIDATIONS

2.1 Overview of Laws and Statutory Regimes
Currently, the insolvency procedure is regulated by a law (amended substantially in 2014 and 2018) that provides for two procedures
of redressing the solvable debtor’s activity – namely, the ad hoc mandate procedure and the procedure of arrangement with creditors. The provisions of the special law are supplemented, in such a case, to the extent that they do not contravene the rules of the Civil Procedure Code and the Romanian Civil Code.

2.2 Types of Voluntary and Involuntary Restructurings, Reorganisations, Insolvencies and Receivership

The law provides for two procedures of redressing a debtor’s activity outside the court room: the procedure of ad hoc mandate, and the procedure of arrangement with creditors. In the case of a debtor in payment default, the law also provides for a judiciary procedure.

An ad hoc mandate is a confidential procedure by which an ad hoc proxy negotiates with the creditors in order to outbalance the state of difficulty in which the company finds itself.

An arrangement with creditors is an agreement concluded between the company in financial difficulty and the creditors holding at least 75% of the value of the accepted and uncontested receivables, by whom a plan for redress is proposed. The procedure is co-ordinated by an administrator.

The insolvency procedure may consist either of a simplified procedure, in which case the company enters into bankruptcy directly, or a general procedure, in which case the company may enter, after the observation period, into the reorganisation period (if there are chances of redressing and the creditors agree with the proposed measure) and, possibly (in case of the failure of a reorganisation plan or when such a plan is not proposed or not accepted), into bankruptcy.

2.3 Obligation to Commence Formal Insolvency Proceedings

Romanian law sets forth that an insolvent debtor is obliged to file a claim with the tribunal requesting that it be subject to the insolvency procedure within a maximum of 30 days from the occurrence of insolvency. This is defined as the point at which insufficient funds are available for the payment of the certain, liquid and payable debts of more than 60 days. The minimum amount of these debts should be RON50,000.

The patrimonial liability of the management bodies and/or supervisory bodies within the company, as well as of any other persons who contributed to the insolvency of the debtor may be requested, if the continuation of the company’s activity was in their own interest and this clearly led to the cessation of payments.

2.4 Commencing Involuntary Proceedings

Any creditor holding a receivable higher than RON50,000 against a company that is unpaid in a term of at least 60 days from its maturity may request the opening of the insolvency procedure against the company.

2.5 Requirement for Insolvency

The insolvency state is a condition that must be met for requesting the opening of a procedure. It may be an already installed insolvency, or it may be an imminent insolvency.

The already installed insolvency is the state of the debtor characterised by the absence of available funds for the payment of certain, liquid and payable debts of more than 60 days. The minimum amount of these debts must be RON50,000.

Insolvency is regarded as imminent when it is proven that the debtor will not, upon maturity of
the payable debts, have sufficient funds available to pay them.

2.6 Specific Statutory Restructuring and Insolvency Regimes

The provisions relevant to banks, commercial lenders and other credit institutions are found in Law 85/2014 and Law 312/2015, which also regulate the procedure of redressing and restructuring credit institutions. Special supervision is ordered by the National Bank of Romania in its capacity as resolution authority.

With regard to the regime applicable to the insolvency of credit institutions, we note only some new aspects relating to the characteristics of the state of insolvency of the credit institution, the necessity of obtaining an approval prior to the opening of the bankruptcy procedure, and the protection conferred by the law of depositors in the banking system on the payment (made by the National Guaranteeing Fund).

The provisions relevant to insurance companies and undertakings are the provisions of Law 503/2004 on financial redressing, bankruptcy, dissolution and voluntary liquidation in the activity of insurances, and Law 85/2014 on the procedures of prevention of insolvency and of insolvency. The procedure of financial redressing (“pre-bankruptcy” procedure) exceeds court control and is overseen by the Financial Supervisory Authority. In accordance with the legislation of the Romanian state, the financial redressing procedure produces its effects in the entire EU without other formalities, including what defines third parties from other member states.

In what regards the administrative-territorial units, there are special provisions regulating the insolvency regime, namely Emergency Ordinance 46/2013 on the financial crisis and the insolvency of the administrative-territorial units.

The Insolvency Code (“Law 85/2014”) does not apply to the pre-university and university education units and research-development institutes, centres or units organised as public, or public law institutions. Hence, if they are national companies, Law 85/2014 shall apply, but if they are educational institutions, schools or medical institutions subordinated to the administrative-territorial units, then the applicable law is the Emergency Ordinance 46/2013.

3. OUT-OF-COURT RESTRUCTURINGS AND CONSENSUAL WORKOUTS

3.1 Consensual and Other Out-of-Court Workouts and Restructurings

As an informal and consensual procedure for the prevention of insolvency, the Insolvency Code provides the procedure of the ad hoc mandate, which is characterised by negotiations between an ad hoc proxy and the debtor’s co-contracting parties. However, the law does not provide specific rules for the conduct of the negotiations. Romanian legislation also regulates the arrangement with creditors, which is a less formal negotiation procedure.

In general, restructuring market participants and professionals place greater trust in the possibility of recovering receivables outside of insolvency procedures, ie, within an informal procedure. Nonetheless, the procedures of ad hoc mandates or arrangements with creditors are very rarely used in practice, individual negotiations being preferred.

Banks and other financing institutions try to support companies in financial difficulty by the rescheduling of credit, etc. Most recently, banks were more and more supportive of companies, given the rather slight possibilities for financiers.
to cover the entire receivable in the insolvency procedures.

Romanian law does not make an obligation for prior procedures to be followed before the filing of a claim for the prevention of insolvency or of insolvency. Neither does it require mandatory consensual restructuring negotiations before commencement of a formal “statutory process”. If a company is in a state of insolvency, its directors must address the tribunal so that, after the opening of the procedure, any negotiation with creditors can only be made through the reorganisation plan.

3.2 Consensual Restructuring and Workout Processes

The use of consensual “standstills” and credit agreement default waivers as part of an initial informal and consensual process is not excluded, and credit institutions use these types of conventions with their debtors. Having in view that such informal understandings are not mandatory but are left to the choice of the debtor/creditors to opt for them, the law does not provide for any particular obligations incumbent on them.

Usually, in the ad hoc mandate procedure and in that of the arrangement with creditors, no committee or representative of the creditors is appointed, although no such appointment is forbidden. For the appointment of one or more representatives the common law rules of the mandate apply, but most of the time there is no such appointment.

The appointment of remunerated proxies of the creditors is not forbidden, but, as a rule, negotiations are conducted with the main creditors individually. The administrators in arrangements with creditors or the ad hoc proxy receive a remuneration from the debtor. There are no criteria for the determination of a committee or of co-ordinators.

Usually, in procedures for prevention of insolvency, prior to the opening of the procedure itself, the creditors are given the necessary information in order for them to assess the chances of redressing and of payment of the receivables according to the assumed obligations.

No guarantee may be changed in such a procedure, except with the consent of the guaranteed creditor.

3.3 New Money

It is possible to invest in a company in insolvency with the benefit of a super-priority. There is no special regulation for this in the procedures for the prevention of insolvency, namely ad hoc mandates or arrangement with creditors, but the parties may conclude a convention in this regard.

3.4 Duties on Creditors

Romanian legislation contains no regulation regarding the duties of creditors to each other, or of the company or third parties. However, specialised doctrine has started to talk rather timidly about a possible abuse of majority. Still, there are no judiciary precedents in this regard.

3.5 Out-of-Court Financial Restructuring or Workout

If a reorganisation plan is voted on validly, as we shall describe below, certain clauses from the credit agreements may be amended.

“Cram-downs” are not a practice in Romania and, usually, debtors may propose their own reorganisation plan. Nevertheless, there may be situations in which a reorganisation plan is confirmed if it meets the double threshold of being voted by creditors accounting for at least 30% of the total amount of the receivables, and...
is accepted by a majority of the categories of creditors.

4. SECURED CREDITOR RIGHTS, REMEDIES AND PRIORITIES

4.1 Liens/Security
Romanian legislation regulates the following types of collateral and privileges:

- immovable mortgages;
- movable mortgages (including on the accounts and receivables or on the movable assets);
- special privileges;
- pledges; and
- retention rights.

4.2 Rights and Remedies
Secured creditors benefit from adequate protection in the insolvency procedure, having special prerogatives. As a rule, all judicial and extra-judicial actions, as well as individual enforcement measures, are suspended from the date of the opening of the insolvency procedure.

Nonetheless, as an exception stipulated in favour of the secured creditors, these are permitted to request the lifting of the measure of suspension and the immediate sale of the asset affected by the guarantee.

The amounts obtained from the sale of the assets affected by the guarantee will be distributed with priority given to the creditors whose receivable is secured with such assets, these at the same time being permitted (unlike the other creditors) to calculate and also to charge accessories to the principal, including after the date of opening of the insolvency procedure.

4.3 Special Procedural Protections and Rights
Secured creditors have the right of preference and of priority to the satisfaction of their receivable from the amounts obtained as a result of the turning to account of their guarantees and have a special voting right regarding the reorganisation plan.

At the same time, they may also calculate interests after the date of opening of the procedure, if the value of the asset affected by the guarantee allows it. Another specific right of the secured creditors is the possibility of individual enforcement of the assets affected by their guarantee, in certain conditions provided by the law — especially when an asset is not essential for a reorganisation plan.

5. UNSECURED CREDITOR RIGHTS, REMEDIES AND PRIORITIES

5.1 Differing Rights and Priorities
In the liquidation procedure (similar to common law enforcement), unsecured creditors are removed from indemnification by creditors with receivables that benefit from legal causes of preference. Nevertheless, it is also possible that both secured and unsecured creditors suffer from losses by the implementation of a reorganisation plan.

As opposed to the secured, the unsecured creditors are unable to calculate accessories after the procedure is opened. Unsecured creditors have the right to vote in a distinct class when the reorganisation plan is discussed.

For the vote on the reorganisation plan, besides the two categories (secured and unsecured), three other categories of creditors can be formed (employees, budgetary and indispensable credi-
In some cases, the vote against the plan cast of the unsecured creditors may prove useless if other categories approve or are automatically considered to approve the plan.

5.2 Unsecured Trade Creditors
As a rule, receivables held by the simple contract creditors may be reduced, both in the redressing procedures and, in insolvency, by the reorganisation plan. In practice, in most insolvency procedures, the reorganisation plan severely trims downs (haircuts) the unsecured receivables up to 0%. If a higher-ranking category of receivables that rejected the plan is disadvantaged by the plan, the lower-ranking categories cannot receive more than they would have received in the event of bankruptcy (in the event of bankruptcy, distributions to unsecured creditors are very low). In case of bankruptcy the unsecured category is split in four categories with successive priority rights.

5.3 Rights and Remedies for Unsecured Creditors
In pre-insolvency procedures, unsecured creditors have the right to agree with or oppose the redressing proposal. If they do not agree, the measures contained in the proposal may be opposed by them only in the case of an arrangement with creditors homologated by a court of law.

In insolvency, these creditors have a voting right over the adoption of the proposed reorganisation plan. If, by decision of all the creditors involved in the procedure, the reorganisation plan is approved, simple contract creditors may bring forward conclusions of invalidation of the plan in front of the court of law administering the insolvency procedure.

In the judicial reorganisation procedure, unsecured creditors may file a claim for bankruptcy if their receivables are not paid according to the schedule of payments provided by the plan or if new debts are accumulated towards the creditors that support the current activity of the debtor in the procedure.

In the special situation in which simple contract creditors have concluded with the debtor a sale-purchase pre-agreement on an immovable asset, these creditors may file a request for the conclusion of the pre-agreements and transfer of the right of ownership over the immovable, without the asset being sold as part of the insolvency procedure (assuming certain specific conditions provided by the law have been met).

5.4 Pre-judgment Attachments
As a rule, precautionary measures ordered before the opening of the insolvency procedure cannot have an impact on the insolvency procedure.

Precautionary measures may be considered for determining the secured character of the receivable claimed by the creditor that established such a measure (on condition that certain expressly provided conditions have been met), without yet preventing the possibility of sale of the assets in the liquidation procedure.

An exception provided by the law refers to the existence of a movable mortgage on a cash collateral account of the debtor in insolvency, in which case the available funds will be released to the creditor based on a simple request made within the observation period.

5.5 Priority Claims in Restructuring and Insolvency Proceedings
In extra-judiciary procedures, there is no prioritisation of the receivables.

In the judiciary procedure of insolvency, with reference to the indicated categories, the law establishes the following satisfaction order:
• duties and any other procedure expenses, including the fee of the insolvency administrator/judicial liquidator;
• receivables deriving from financing granted during the procedure (super-priorities);
• receivables deriving from labour relations;
• receivables deriving from the continuation of the debtor’s activity;
• budgetary receivables;
• receivables representing the amounts owed by the debtor to third parties as support obligations, child allowances or as periodic payment intended to provide a means of subsistence;
• receivables representing the amounts established by the court for the support of the debtor and their family (if they are a natural person);
• receivables representing bank loans, those resulting from deliveries of goods, performance of services or other works, from rents, including bonds;
• other unsecured receivables; and
• subordinated receivables.

In insolvency, the expenses and duties of the procedure, as well as the financing granted during the procedure, have priority over the secured receivables. After these two categories of receivables, the secured creditors are the first to be satisfied from the sale of the assets under their guarantee.

If, from the price obtained in the sale, the receivable of the secured creditor is not covered, then the uncovered difference will be registered in the category of simple contract receivables. The secured creditor will be satisfied for this difference after the salary and the budgetary receivables. In their turn the unsecured receivables have a different order of payment depending on their source and, as the case may be, the claim holder (first the ones deriving from support obligation, then the receivables representing bank loans, those resulting from deliveries of goods, performance of services or other works, from rents, and after that other unsecured receivables). The last ones to be paid are the subordinated unsecured receivables.

6. STATUTORY RESTRUCTURING, REHABILITATION AND REORGANISATION PROCEEDINGS

6.1 Statutory Process for a Financial Restructuring/Reorganisation

With regard to the reorganisation plan, the law provides a distinct voting modality from the other decisions that the creditors make in the creditors’ meeting. Each receivable benefits of a voting right that its holder exercises within the category of receivables of which such receivable is a part of.

The following receivables represent distinct categories:

• the receivables benefiting from preference rights;
• salary receivables;
• budgetary receivables;
• the receivables of indispensable creditors; and
• the other simple contract receivables.

Accepting a Reorganisation Plan

A reorganisation plan will be considered accepted by a category of receivables in the event that the plan is accepted by creditors representing an absolute majority of the value of the receivables from that category. Another condition for the acceptance of the plan is that creditors representing at least 30% of the total value of the body of creditors votes for its approval.
The reorganisation procedure is initiated by the submission of a reorganisation plan within the term provided by the law. The reorganisation plan may be proposed by the debtor, by the insolvency administrator and/or by one or more creditors holding together at least 20% of the total value of the receivables contained by the final table.

The law does not exclude the possibility of the submission of several reorganisation plans, by category, although only one may be accepted by the creditors.

Performing Reorganisation
Reorganisation may be performed, for example, by one of the following means:

• the debtor maintaining full or partial management of its activity, including the right of disposal of the assets from its estate, with the supervision of its activity by the insolvency administrator;
• obtaining financial resources to support the achievement of the plan (the financing approved by the plan benefiting from priority at restitution);
• transmission of all or some of the assets from the debtor’s estate to one or several natural or legal persons, established prior to or after the confirmation of the plan;
• the debtor’s merger or division, in the conditions of the law;
• liquidation of all or some of the assets of the debtor’s estate, separately or en bloc, free of any encumbrances, or their being given in payment to the debtor’s creditors (with the consent of such creditors) on the account of the receivables that these have against the debtor’s estate;
• partial or total liquidation of the debtor’s asset for the execution of the plan (the amounts of money obtained after the sale of certain assets that are the object of guarantees must be distributed to the creditors holding such guarantees);
• the change or termination of the guarantees, with the mandatory granting of a guarantee or equivalent protection to the benefit of the holding creditor, up to the value of their receivable, including the interests established according to the agreements or according to the reorganisation plan, based on an assessment report;
• prolongation of the maturity date, as well as the change of the interest rate, of the penalty or of any other clause from the agreement or of the other sources of its obligations; or
• change of the debtor’s articles of incorporation.

Composition of Plans
From the point of view of the financial condition of the debtor, the plan must comprise a projection of the cash flow that would allow for the execution of the measures proposed by the plan. In terms of viability, the creditors decide in principal, and then the court of law may resort to a neutral insolvency practitioner that would express a point of view on the possibilities of the plan’s achievement. In principle, the reorganisation plan may be proposed after the general insolvency procedure has been opened against the debtor. At the end of the observation period, after the completion of the body of creditors, any of the persons enumerated above may propose a reorganisation plan.

In the event the proposed reorganisation plan is accepted by the creditors, the syndic judge will analyse the legality of such plan and, if all conditions are met, will confirm the reorganisation. As of the confirmation of the plan, the debtor enters into the reorganisation procedure, its activity being conducted pursuant to the provisions of the plan.
In reorganisation, a necessary and imperative condition which shall be met is the correct and fair treatment of the receivables, so that all receive at least as much as they would have received in bankruptcy.

The main purpose of the reorganisation plan is the company’s redressing, covering of an as high as possible percentage from the body of creditors and subsequently the company’s reinsertion in the economic circuit, which can obviously have numerous benefits, including a social nature by means of the protection of jobs.

Following the confirmation of a reorganisation plan, the debtor will conduct its activity under the supervision of the insolvency administrator, the court following only to solve certain aspects of which it is notified and that are related to the legality of the measures and of the means of execution of the plan. As mentioned, the reorganisation procedure starts as of the date of confirmation of the plan by the court, as voted by the creditors.

**Expedited Procedure**

Romanian law does not provide for a distinct expedited procedure, but it does allow that a reorganisation plan may be executed within a maximum of three years, with the possibility of prolongation up to a year (maximum of four years, in total). However, if the debtor’s activity allows it, the plan may last for any period shorter than three years.

In connection with the mentioned term for the execution of the reorganisation plan, we remind that the debtors under reorganisation during the alert state benefit from extended deadlines:

• the time for the execution of the judicial reorganisation plan is extended by two months;
• the debtors who have completely ceased their activity may request the suspension of the execution of the plan for a period which may not exceed two months;
• for the debtors who have totally or partially interrupted their activity, the period of execution of the reorganisation plan may be extended, without exceeding a total duration of five years.

The claims for current receivables are assessed by the insolvency administrator, which offers a point of view. In the event there are any disputes with regard to the claimed receivable, the interested creditor may address the court of law. The reorganisation plan validly voted for by the creditors is also mandatory for the creditors who have not expressed a point of view.

The reorganisation plan is public, may be analysed by each creditor, is submitted to the case file and to the trade registry and is usually also accessible online. Nonetheless, the plan must not contain detailed remarks regarding the conduct of the economic activity, nor disclose the trade secrets of the company.

The plan may be challenged before the syndic judge when the court discusses the confirmation of the plan. The creditors’ use of this mechanism does not imply the filing of a separate challenge. For non- legality grounds, however, the interested party may separately challenge the decision of the creditors whereby such plan was approved.

The plan is voted on by the creditors on the aforementioned conditions, and subsequently confirmed by the court. The receivables will be paid as per the schedule of payments, which is a mandatory annex of any reorganisation plan. Upon the moment of payment of all the receivables listed in the schedule of payments, the reorganisation procedure may be closed and the company re-enters into the economic circuit.
6.2 Position of the Company
From the date of the opening of the procedure under the law, all judiciary, extra-judiciary actions or enforcement measures for the recovery of the receivables against the debtor’s estate are suspended. From this point on, they may only be turned to account in the insolvency procedure.

The company can continue to operate its business-as-usual after the date of the opening of the procedure, under the supervision of the insolvency administrator. In cases where the court orders the lifting of the management right, the management of the company passes to the insolvency administrator.

After the procedure opening date, the shareholders of the debtor are summoned to elect a special administrator. This will be the only entity able to manage the company, under the supervision of the insolvency administrator.

In the observation period and during the reorganisation period, the debtor can obtain financing through direct negotiation with the financer and following the approval of the loan conditions by its creditors.

6.3 Roles of Creditors
From the moment of drafting the preliminary table, creditors are registered by categories of receivables, namely the receivables benefiting from preference rights, salary receivables, budgetary receivables and simple contract receivables.

The creditors convene in a general meeting of creditors, of which all creditors are part. If there is a large number of creditors, a creditors’ committee of three or five members can be elected, chosen in the creditors’ meeting from those who manifest their intention to be part of the committee, and in the order of the receivables, from the larger ones to the smaller ones, so that each category of creditors is represented. The expenses are incurred by each creditor, these not being settled by the debtor.

Creditors have access to all the information brought to their knowledge by the insolvency administrator by means of its activity reports. These activity reports and the quarterly financial statements drafted in the reorganisation procedure are published in the Insolvency Procedure Bulletin. The documents are submitted to the case file and are communicated to the creditors present in court at the hearings. The quarterly financial statements drafted in the reorganisation procedure are approved by the creditors’ committee.

6.4 Claims of Dissenting Creditors
The receivables of a particular class of creditors may be modified by means of the reorganisation plan, even if the creditors in question voted against the plan. The only conditions are that all the categories shall be treated fairly, and that they should not receive less in the reorganisation procedure than they would have received in the bankruptcy procedure.

6.5 Trading of Claims against a Company
Claims may be traded without any approval from other parties except those involved in the assignment of the receivable. The transfer will be effective and recognised once it is notified to the debtor and to the judicial administrator.

6.6 Use of a Restructuring Procedure to Reorganise a Corporate Group
A restructuring procedure may not be utilised to reorganise a corporate group on a combined basis for administrative efficiency, but different types of M&A operations can be performed within a reorganisation procedure.
6.7 Restrictions on a Company’s Use of Its Assets
Should a reorganisation plan be accepted by the creditors and confirmed by the judge, the debtor’s assets may be sold pursuant to the provisions of the reorganisation plan.

6.8 Asset Disposition and Related Procedures
The activity of the debtor is run by the special administrator appointed by the shareholders, under the supervision of the judicial administrator.

In the insolvency procedure the assets sold are free and clear of any claims.

The creditors can participate in the auctions and under some conditions they can bid with their own receivable.

During a restructuring proceeding, it is possible to make sales and similar transactions which have been pre-negotiated, provided that these transactions are incorporated within the reorganisation plan that was accepted by the creditors and confirmed by the judge.

6.9 Secured Creditor Liens and Security Arrangements
No changes to the liens and security arrangements of a secured creditor can be made unless the creditor approves it or if the contractual conditions for releasing such securities are met.

6.10 Priority New Money
New money investment or loans can be secured by assets of the company that are free of any liens and securities.

6.11 Determining the Value of Claims and Creditors
It is not possible to use the statutory process as a forum for determining the value of claims and those creditors with an economic interest in the company.

6.12 Restructuring or Reorganisation Agreement
A restructuring or reorganisation plan or agreement among creditors that emerges is subject to an overall “fairness” test. In order for it to be effective, the creditors should accept the plan and the court must confirm it.

A company or statutory office holder may reject or disclaim contracts. The effects of this on the parties are as they would be for any other contract rejected or disclaimed by a company that were not subject to an insolvency procedure.

6.13 Non-debtor Parties
Any kind of operations that can release non-debtor parties from liabilities must be included in the reorganisation plan and these should be accepted by the creditors and confirmed by the judge in order for it to become effective.

6.14 Rights of Set-Off
The law expressly provides for the fact that the opening of the insolvency procedure does not affect the right of any creditor to claim the set-off of its receivable with a debtor against it, when the conditions provided by the law in the matter of legal set-off are met at the procedure opening date.

In respect of the netting agreement, the law does not forbid the conclusion of such an agreement, however, it does require that certain specific conditions shall be met.

6.15 Failure to Observe the Terms of Agreements
In the event the debtor company fails to fulfil its obligations as per the terms of an agreed restructuring plan, the bankruptcy procedure will be declared.
The bankruptcy application for non-compliance with the reorganisation plan can be formulated by any of the creditors or by the judicial administrator.

In the event of bankruptcy after confirmation of a reorganisation plan, the holders of receivables participate in the distributions with the receivables recorded in the final consolidated table. As regards the guarantees provided for the fulfilment of the obligations assumed by the reorganisation plan, they will remain valid in favour of the creditors for the payment of the amounts due according to the reorganisation plan.

The creditors usually do not have a direct implication in the restructuring plan.

6.16 Existing Equity Owners
Existing equity owners cannot receive or retain any ownership or other property on account of their ownership interests unless all the other debts are paid.

7. STATUTORY INSOLVENCY AND LIQUIDATION PROCEEDINGS

7.1 Types of Voluntary/Involuntary Proceedings
Romanian law provides certain procedures for prevention of insolvency, such as the ad hoc mandate and agreement with creditors, and insolvency procedures for professionals, administrative and territorial units and natural persons.

There is a distinction between the simplified procedure (where the debtor enters directly into bankruptcy) and the general procedure (which comprises the observation period and the subsequent entering into the reorganisation procedure in the event a reorganisation plan is confirmed and, as the case may be, into bankruptcy in the event the reorganisation plan fails). The main advantages of the reorganisation procedure are the increase of the degree of satisfaction of the creditors, as well as saving of the business and the jobs within the debtor company.

An insolvency procedure may be opened by a court of law at the debtor’s request (voluntary) or at the request of one or several creditors (involuntary). In what regards the procedures for prevention of insolvency, the request may be filed by the debtor.

Bankruptcy
Bankruptcy is ordered either at the same time as the opening of the procedure – in the event specific conditions provided by the law for the simplified procedure are met – or after an observation period, as a result of exceeding the term for proposal of the reorganisation plan or in the event the plan fails.

The debtor may initiate the insolvency procedure in the event the insolvency state is imminent, and such procedure shall be initiated if the debtor is in insolvency and has certain, liquid and due receivables of over RON50,000 and outstanding for more than 60 days.

One or more creditors may also file a claim for opening the procedure in the event the creditors hold a certain, liquid and due debt against the debtor, which is higher than RON50,000 and outstanding for more than 60 days, and the debtor is in payment default.

For professionals, the court may order direct entry into bankruptcy, without any observation period, in the event the company has not presented the accounting documents, it has been previously dissolved, the administrator cannot be found or in the event the registered office no
longer exists or no longer corresponds with the address mentioned in the public registries.

Provided that the general procedure is opened, and the observation period is conducted, bankruptcy may be ordered if a reorganisation plan is not submitted within the term established under the law or if such plan was proposed and has not been observed.

**Receivables**

Receivables are calculated with reference to the date of opening the insolvency procedure, in the national currency. Creditors shall submit statements of receivables to the court and to the insolvency administrator/judicial liquidator. Recognition and assessment of the receivables will be performed by the insolvency administrator/judicial liquidator. Only the receivables which have arisen prior to the date of opening of the insolvency procedure will be registered with the body of creditors. The debtor, the creditors or any other interested party may challenge the preliminary table of receivables (drafted by category of receivables).

After entering into bankruptcy, within the term provided under the law, creditors may request that the receivables which have arisen after the opening date of the insolvency procedure (however before the date the debtor entered into bankruptcy) be registered with the body of creditors.

In the insolvency procedure, there are specific terms regulated under the law, such as: a term for the submission of the statement of claim (as established by the court by means of the decision for opening the procedure), and the term of one year established for the observation period. In what regards the expedited procedures, the insolvency law regulates the simplified procedure by which the debtor enters directly into bankruptcy, provided that certain requirements are met.

Receivables may be assigned on the conditions provided by the Romanian Civil Code; notification of any such assignment will be made to the Electronic Archive for Security Interests in Movable Property for opposability against third parties.

**Enforcement Measures**

As per the relevant law, all the judiciary, extra-judiciary actions or enforcement measures for recovery of the receivables against the debtor’s estate are suspended. All enforcements against the debtor shall be lawfully suspended.

In the event the lifting of the administration right has not been ordered, the debtor may operate its own business. In such case, the insolvency practitioner supervises the current operations, and for the operations which exceeds the ordinary business it is necessary the approval of the creditors’ committee. In the event the court orders the lifting of the administration right, the business will be managed directly by the insolvency practitioner, and the debtor no longer holds any control thereof.

Once the debtor is in bankruptcy, the judicial liquidator is in control of the entire business.

The insolvency administrator may maintain or unilaterally terminate the ongoing agreements. In the event of an unilateral termination of the agreement, the contracting party shall be entitled to indemnities (however, the indemnity mechanism is not being very clearly regulated).

The law expressly states that opening the insolvency procedure does not affect the right of any creditor to claim the set-off of its receivable with the one of the debtor against it, in the event the conditions provided by the law in the matter of
legal set-off are met at the opening date of the
procedure.

In what regards the netting agreement, the law
does not forbid the conclusion of such an agree-
ment, but it requires that certain specific condi-
tions be met.

Proceedings
The insolvency procedure is characterised by
transparency. Insolvency practitioners shall sub-
mit monthly reports to the case file, in particu-
lar, regarding the debtor’s business activity and
the payments made, as well as publishing such
reports in the Insolvency Procedure Bulletin.

In the reorganisation period, the amounts
obtained by the debtor will be distributed as
per the confirmed reorganisation plan. In bank-
ruptcy, the amounts obtained from the sale of
the debtor’s assets are distributed pursuant to
the legal order depending on the categories of
creditors. In total, there are ten categories:

- procedure expenses and duties;
- credits granted after the opening of the pro-
cedure;
- salaries;
- current receivables arising after the procedure
opening date;
- budgetary receivables;
- support obligations or allowances;
- amounts necessary for the support of debt-
or’s natural person and family;
- bank credits, deliveries of products, provi-
sions of services, rents;
- other simple contract receivables; and
- subordinated receivables.

The procedure is closed either when the reor-
ganisation plan has been executed or when
there are no longer any assets to be sold.

7.2 Distressed Disposals
Procedures for the sale of assets or the busi-
ness are authorised by the creditors’ meeting
and negotiated and executed by the insolvency
practitioner. If the debtor’s right of administration
has not been lifted, the sale is performed by the
special administrator under the supervision of
the insolvency administrator.

A purchaser of assets sold in such procedure
acquires good title, “free and clear” of claims
and liabilities asserted against the company.
However, in principle, the sale does not change
the quality of the ownership. More precisely, it
does not strengthen the title in the event there
is any defect.

Secured or unsecured creditors may bid for
the company’s assets. The law even allows the
adjudication of the assets on the account of the
receivables, provided that the preference order
set forth by the law is observed.

It is possible to effectuate pre-negotiated sales
transactions following the commencement of a
statutory procedure.

7.3 Organisation of Creditors or
Committees
Creditors are divided into five classes, as fol-
 lows:

- secured;
- salary;
- budgetary;
- simple contract receivables of the suppliers
  essential for the debtor’s activity; and
- the other simple contract receivables.

Within the procedure there is a creditors’ meet-
ing, comprised of the creditors registered with
the body of creditors. The creditors’ meet-
ing votes on a creditors’ committee formed of
three or five creditors from the first 20 creditors,
depending on the value of the receivables. This creditors’ committee has powers and duties of representation of the creditors, the activity of the members of the committee not being remunerated.

8. INTERNATIONAL/ CROSS-BORDER ISSUES AND PROCESSES

8.1 Recognition or Relief in Connection with Overseas Proceedings
A foreign procedure may be recognised in Romania if certain conditions are met, namely:

- the foreign procedure shall be collective and public procedure in which the assets and the activity of the debtor are subject to the control or supervision of a foreign court;
- the person who requests the recognition of the foreign procedure shall manage the reorganisation or the liquidation of the debtor’s assets and activity or act as a representative of the procedure; and
- there must be reciprocity regarding the effects of the foreign decisions between Romania and the state that delivered the decision by which the foreign procedure was opened.

8.2 Co-ordination in Cross-Border Cases
All reciprocity agreements concluded between Romania and other states also apply to the insolvency procedures. Internal legislation includes regulations regarding cross-border insolvency.

8.3 Rules, Standards and Guidelines
Depending on the date of opening of the procedure, the provisions of EC Regulation 1346/2000 or of Regulation 848/2015 on insolvency procedures are applicable.

8.4 Foreign Creditors
There is no different treatment for foreign creditors in insolvency procedures or prevention of insolvency procedure that are opened within the territory of Romania.

8.5 Recognition and Enforcement of Foreign Judgments
As a general rule, foreign judgements are recognised in Romania based on a prior judicial control procedure. Several conditions need to be met, namely:

- the foreign judgement needs to be final according to the law of the state where it was pronounced;
- the judgement was delivered by the court of competent jurisdiction;
- there is reciprocity with respect to the effects of foreign judgments between Romania and the state of the court which delivered the judgment; and
- if the judgment was delivered without the losing party being present, the party must have been legally summoned with the petition filed in court and for the final hearing to have the possibility to defend itself and to file an appeal.

The Romanian Law also states the grounds for non-recognition:

- the judgment is obviously against the Romanian private international law public order;
- the judgment was delivered in an area of law in which the parties cannot freely dispose of their rights, with the exclusive purpose of evading the applicable law according to the Romanian private international law;
- the dispute between the same parties was already solved by a judgment (even if not final) delivered by a Romanian court or it is pending before Romanian courts;
9. TRUSTEES/RECEIVERS/STATUTORY OFFICERS

9.1 Types of Statutory Officers
There are various types of statutory officers who may be appointed in proceedings, namely the administrator in an arrangement with the creditors, the ad hoc proxy or the insolvency administrator/judicial liquidator are appointed from the insolvency practitioners. In a procedure of insolvency of a natural person, the following may be appointed as liquidators:

- insolvency practitioners;
- court enforcement officers;
- attorneys at law; and/or
- notaries.

9.2 Statutory Roles, Rights and Responsibilities of Officers
The ad hoc proxy is appointed for the identification of solutions for reaching an understanding with the creditors. The administrator, in an arrangement with the creditors, prepares the creditors’ table and elaborates, together with the debtor, the arrangement project which would provide for the restructuring of the debtor’s business. The insolvency administrator drafts the creditors’ table, supervises the insolvency procedure and drafts the monthly activity reports in which he presents the debtor’s activity or, as the case may be, directly controls whether the debtor’s administration right has been lifted. The insolvency administrator may propose a reorganisation plan, may unilaterally terminate the ongoing agreements, and/or may appoint specialists in the procedure. The judicial liquidator manages the debtor’s activity and directly manages the procedure of liquidation of the assets.

9.3 Selection of Officers
In case of insolvency of professionals, the insolvency administrator/judicial liquidator is appointed by the creditors and, subsequently, confirmed by the court of law. The practitioner is appointed from those who have submitted an offer to the case file, depending on the complexity of the procedure, expertise and capacity to manage the procedure in particular. In case of insolvency of natural persons, the appointment is aleatory.

The insolvency administrator has powers and duties of supervision of the debtor’s activity, supervising the managers and the management. If lifting the administration rights has been ordered, the management of the company belongs to the insolvency administrator, who have all the powers and duties.

The law regulates several hypotheses in which an insolvency practitioner may not fulfil the role
of insolvency administrator/judicial liquidator. In particular, such refer to situations in which the practitioner has had prior relations with the debtor during a period of two years prior to the opening of the insolvency procedure. Also, an insolvency practitioner who is a former judge may not be appointed as administrator/liquidator in the area of the court of law in which he has been performed its activity during the past three years.

Creditors, statutory administrators or managers may not be appointed as insolvency administrators/liquidators of a company.

In order for a person to fulfil the quality of insolvency practitioner, there are long-term higher-education studies in law or economic sciences which shall be completed, and at least three years’ experience in the legal or economic area. Authorisation thereof to act as an insolvency practitioner is also required.

10. DUTIES AND PERSONAL LIABILITY OF DIRECTORS AND OFFICERS OF FINANCIALLY TROUBLED COMPANIES

10.1 Duties of Directors
The managers have obligations to the insolvent company according to their functioning status. The manager, or any other person who has contributed to the occurrence of the insolvency state, may be held responsible to the creditors if the court takes a decision stating their liability.

The existence of the state of insolvency is determined by the syndic judge when the opening of the procedure is ordered. Subsequently, the first report prepared by the insolvency administrator/judicial liquidator describes the state of the company and the causes that have generated the insolvency, pointing out the persons responsible (if it is the case).

The managers of the company do not have a direct relationship with the creditors, but with the debtor. The managers are held liable for the activity they have performed and, as well as any other persons who have contributed to the company’s insolvency, are responsible to all creditors for the state of insolvency.

The obligations assumed by bylaws/agreement by the owners/shareholders/company affiliates/subsidiaries are maintained, in principle, including after entry into insolvency. The manager or any other person who has contributed to the occurrence of the insolvency state may be made responsible to the creditors. The law concretely provides the cases that may entail the personal responsibility of these persons in order to cover the receivables of the creditors registered with the body of creditors. The action can be brought by the judicial administrator/liquidator, the president of the creditors committee, or by a creditor holding 30% of the total registered debt.

Directors can be subject to other sanctions under applicable criminal or civil law or pursuant to disqualification or other similar proceedings, subject to the conditions provided above.

10.2 Direct Fiduciary Breach Claims
Creditors may request the entailing of the direct liability of the persons who have caused the insolvency state.
11. TRANSFERS/TRANSACTIONS THAT MAY BE SET ASIDE

11.1 Historical Transactions
Romanian law concretely provides for several situations in which transactions concluded before the opening of the insolvency procedure may be annulled if they have disadvantaged the debtor. The law mentions:

• gratuitous transactions;
• operations in which the services offered by the debtor are obviously disproportionate;
• transactions concluded with the intention of stealing assets from the debtor’s estate or of hiding or delaying the insolvency state;
• anticipated payments of payable debts after the date of opening of the procedure;
• transfer of ownership of assets in order to pay off a debt of the creditor at a higher value than the creditor could obtain in the bankruptcy procedure; and
• transactions by which a preference is created in favour of a simple contract creditor.

The law also provides for the possibility of annulment of transactions concluded up to two years before the opening of the procedure with a person who had shareholdings or controlled the company, or with a co-owner of a common asset.

11.2 Look-Back Period
As a rule, transactions and operations concluded up to two years before the date of opening of the insolvency procedure are subject to verification.

11.3 Claims to Set Aside or Annul Transactions
Claims for annulment of transactions may be filed by the insolvency administrator, the creditors’ committee or by a creditor representing more than 50% of the total body of creditors.

Such claims may be filed in both restructuring and insolvency proceedings and are exempted from stamp duties if registered by the insolvency practitioner.
Zamfirescu Racoți Vasile & Partners has 12 lawyers in its insolvency department, active mainly in banking litigation and debt recovery. The team notably acts for banks in insolvency procedure cases, and for large companies involved in the recovery of receivables. It advises both debtors and creditors throughout the insolvency procedure, starting with off-court arrangements, pre-packed procedures, observation period, reorganisation, and bankruptcy. The team assists and/or represents them in specific claims and also in related actions, including objections to the decision of the creditors’ meeting, measures ordered by judicial liquidators, annulment claims, objections to debt claims, liability claims submitted against former debtors’ administrators, and fraud matters. The team also has significant experience in debt recovery.

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Trends and Developments

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General Developments in the Insolvency and Restructuring Market
As in most EU countries, the economic effects of the COVID-19 pandemic was an unwanted stress for Romanian companies. The negative consequences became apparent early in 2021 as the number of new insolvency requests increased. The numbers are not spectacular (a 7% increase compared to 2020), but the full extent of the impact of the pandemic is yet to be revealed. Other figures may prove more relevant, eg, 55,906 companies stopped operating in the first half of 2021, 31% more compared to the same period last year.

So far, companies from industries such as energy and resources, automotive, construction, retail, and hospitality experienced the greatest difficulties, but against the background of absence of liquidity and shortage of financing possibilities, other related sectors may be contaminated.

To counterbalance the economic constraints generated during the state of emergency and state of alert (which is still in force), Romania adopted temporary procedural rules by amending the insolvency law. The legislation was backed by a series of support programmes meant to protect both individuals and companies. An important insolvency prevention instrument will become available once Romania implements the EU Directive 2019/1023 in the field of prevention and restructuring, which is expected to take place in late 2021 or early 2022.

Temporary amendments to the insolvency law
Temporary procedural modifications adopted in May 2020 include:

- the absence of obligation for the debtor to request the opening of insolvency proceedings;
- the extension of the deadline to propose a reorganisation plan; and
- the extension of the duration of the reorganisation plan.

The measures were aimed mostly at delaying the effects of COVID-19 by providing room for the insolvent or distressed companies to adapt to the new market conditions. The law does not condition access to its provisions on proof that the company is experiencing difficulties due to the pandemic.

It is now certain that a significant number of debtors delayed the opening of their insolvency proceedings in 2020. A contributing factor, besides the temporary provisions, was logistics, as the courts could not hold public hearings or were compelled to suspend all files. It is possible that the decision not to file a request to open the procedure might have generated the accumulation of higher debts, in which case the company and its stakeholders are now even more vulnerable.

If the increase of business interdependence is considered, alongside the extensions of the terms of payment of invoices, the insolvency risk is now greater than before the legislation was adopted.
Support measures for mitigating the effects of the sanitary crisis

The package of support schemes granted by the government to the population and active companies during 2020 included:

• paid leave for the employees with temporary suspended contracts up to 75% of the average gross salary per economy;
• loan moratoriums for banking loans;
• compensation for the drop in turnover in certain sectors;
• an extension of the loan guarantee ceiling for small and medium businesses;
• facilities for deferred payment for utility services as well as deferred payment of rent for the offices of the companies; and
• fiscal facilities for the debtor who wants to restructure their budgetary obligations.

Measures intended for diminishing the negative financial effects of the COVID-19 pandemic were supported by state programmes aimed at securing the working capital and stimulating the investments. On a global scale the measures were successful as the Romanian economy bounced back in 2021. Nevertheless, as seen from the perspective of the companies that were most affected, the measures were not able to diminish the risk of insolvency.

Some experts say that Romania experiences the phenomenon of hidden insolvencies. As companies will be subjected to a harsh resilience test due to the imminence of new waves of infections and the gradual withdrawal of support measures, the country might face an explosion of new insolvency cases.

Developments in the energy and natural resources sector

The combined effects of the COVID-19 generated financial crisis, the high volatility of prices as well as short-term purchasing policies has led to a somewhat atypical situation in the energy and natural resources sector. Many energy suppliers are facing liquidity shortages and the largest independent trader entered insolvency in June 2021, which sent a shockwave to the market. The rapid rise in energy prices will impact both producers and consumers.

However, the effects will be much more extensive as the increase will most likely be seen in the price of most consumer goods. The energy price crisis thus has a direct influence on inflation. The Romanian National Bank recently revised its inflation estimate for 2021 to around 5% – analysts speculate it will surpass that figure. The negative macroeconomic effects of inflation can only be counteracted by steady economic growth (in 2021 the anticipated growth or Romanian economy is of 7%).

The Romanian state is currently searching for ways to mitigate the effects of rising energy prices by granting subsidies to final beneficiaries, while trying to avoid the capping of prices on the market.

Developments in the construction sector

Although the construction sector has performed constantly in the last few years, the first semester of 2021 saw the largest number of newly opened insolvency procedures from this sector. The most important factor has been the increase of the prices for building materials, but the structural deficiencies of the sector and the restrictions imposed by the authorities due to COVID-19 can also be contributing factors. The returns of the developers have fallen sharply, as many have large stock of contracts concluded at a non-revisable (fixed) price. Many face the risk of not covering the cost of the developments, provided that they will be able to deliver the buildings.
National incentive programmes, including “The New House” (which replaced the “First House” programme), the increase in the guarantee ceiling granted by the state, and the raise of the threshold for diminished VAT tax on the purchase of a new home to EUR140,000, may not be enough to prevent a crisis in this sector.

**Trends in the insolvency and restructuring market**

It is expected that 2022 will bring a new rise in the number of insolvency cases as compared to 2021, amid the rolling of debts and the gradual decrease of the support provided by the state. The total number of ongoing judicial insolvency procedures will not change significantly.

A positive effect of the COVID-19 crisis could be the increase in investors’ appetite for distressed assets owned by insolvent debtors. The most sought-after assets continue to be immovable (ie, real estate). Although the market for distress assets is not centralised, both the number of auctioned goods and their value have increased.

**Directive (EU) 2019/1023**

Also anticipated is more debtors having access to restructuring mechanisms to avoid insolvency due to the transposition of Directive (EU) 2019/1023 (the “Directive”) of the European Parliament and of the Council on preventive restructuring frameworks. The bill, which restructures the provisions of Law 85/2014, is already on the website of the Ministry of Justice. So far, debtors’ access to restructuring procedures such as the preventive arrangement has been poor, despite potential benefits of these procedures.

The major novelty that the transposition of the new Directive brings is the possibility to access preventive restructuring procedures by the debtors who experience non-financial and financial difficulties. The state of difficulty is, in accordance with the Directive, different from the state of installed insolvency. The new provisions are balanced and do not allow the confusion between the two situations. The state of difficulty precedes insolvency, and it is not necessarily linked to the deterioration of a certain financial indicator. For example, the simple failure to conclude a contract might be a sufficient argument for the debtor to apply to the preventive restructuring means. The state of difficulty must nonetheless be real and pose a serious threat of impossibility to pay at maturity date.

**Preventive procedures**

The measures taken under the means of restructuring are thus meant to conserve the debtor’s ability to make the payments that will become due. The prevention purpose of the new legislation is emphasised by the fact that it also allows the debtors that had irregularities in their accounting records to access the restructuring means, provided that the said irregularities have been corrected.

**Restructuring agreements**

The first preventive procedure is the restructuring agreement, which is a confidential negotiation-based procedure in which the judicial component is reduced to a minimum. It is mainly designed for debtors that have not yet experienced severe difficulties in observing their obligations and who do not require the suspension of the enforcement procedures initiated against them, as the approval of a restructuring agreement does not generate an ex lege suspension of the enforcements on the debtor’s estate.

During this procedure the debtor will retain control of its business, and with the agreement of the creditors, it will implement the restructuring agreement in order to avoid insolvency in the future. The proposed bill however provides for a final judicial stage whereas it allows the discharge of debts also in what concerns the disinterested creditors (creditors who have opposed the
agreement) in certain conditions and provided that fair treatment is ensured.

Preventative agreements
The second means of restructuring is the preventive agreement. The preventive agreement is an older institution which is profoundly modified by the proposed bill, in accordance with the principles of the Directive. This procedure has a more pronounced judicial character and implies the suspension of the individual enforcement initiated against the debtor from a certain procedural moment. The procedure is based on a restructuring plan which is drafted and negotiated after the syndic-judge opens the procedure. The syndic judge is also responsible with the homologation of the plan which can be decided despite the opposition of some of the creditors. Compliance with the provisions of the restructuring plan leads to discharge of debts which happens under certain conditions and with the observance of a fair treatment.

The new provisions that are expected to enter into force in late 2021/early 2022 strive to replace the former ad-hoc agreement procedure that has been both inefficient and loosely regulated while also trying to adapt the provisions regulating the preventive agreement to the requirements of the Directive.
Zamfirescu Racoți Vasile & Partners has 12 lawyers in its insolvency department, active mainly in banking litigation and debt recovery. The team notably acts for banks in insolvency procedure cases, and for large companies involved in the recovery of receivables. It advises both debtors and creditors throughout the insolvency procedure, starting with off-court arrangements, pre-packed procedures, observation period, reorganisation, and bankruptcy. The team assists and/or represents them in specific claims and also in related actions, including objections to the decision of the creditors’ meeting, measures ordered by judicial liquidators, annulment claims, objections to debt claims, liability claims submitted against former debtors’ administrators, and fraud matters. The team also has significant experience in debt recovery.

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