



**RIGA  
GRADUATE  
SCHOOL OF  
LAW**

**International Insolvency Law**

**2020/2021**

**Reader**

## **COURSE ABSTRACT**

The course International Insolvency Law provides a thorough introduction to the working of the European Insolvency Regulation. Particular attention will be paid to the issue of bankruptcy migration (transferring assets and activities in order to have the insolvency proceedings opened in a different Member State with more favourable rules for parties involved). In addition to questions of private international law (jurisdiction, applicable law, recognition and enforcement), the course will also deal with substantive insolvency law in different Member States in the European Union. A comparison will be made with regard to the rules on transaction avoidance in insolvencies (actio pauliana), the issue of shareholders and subordination of shareholders loans (equitable subordination) and rules on reorganisation procedures. The course will also deal with harmonization of European Insolvency Law, with topics that have already been harmonized such as protection of depositors and workers in case of insolvency, and topics the rules on bank insolvency which seek to end the problems related to TBTF (Too Big To Fail).

## **COURSE OBJECTIVES**

After completing the course, students will have a working knowledge of the most important European Union rules in the field of insolvency law. Students will be able to apply these rules and give their own critical point of view on the working of the European Insolvency Regulation. In addition hereto, students are capable of making a critical comparison of the law of member states on selected topics, such as transaction avoidance/actio pauliana, shareholder finance and reorganisation plans.

## **II. Teaching staff**

Prof. dr. R.J. de Weijs

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Professor University of Amsterdam

Attorney at the Amsterdam office of Houthoff

Visiting Professor RGSL

## **Grading Criteria**

| Criteria    | Weighting |
|-------------|-----------|
| Examination | 100%      |

## IV. Overview of topics

- Class 1: Introduction, Bankruptcy theory, Insolvency law basics & Corporate Finance Basics**
- Different types of debtors
  - Different types of creditors and ranking of creditors
  - Goals of insolvency proceedings: bankruptcy theory
  - Insolvency law basics
  - Corporate Finance Basics
- Class 2: Transaction avoidance in insolvencies (*actio pauliana*)**
- Preferences
  - Transactions at an undervalue
- Class 3: Corporate Finance & Financing by Shareholders**
- Subordination of shareholder loans
  - Secured shareholder loans
- Class 4: Reorganisation vs. liquidation**
- Composition plans & Reorganisation plans
  - Voting rules
  - Debt for equity swap
  - Absolute Priority Rule (APR) vs EU Relative Priority Rule (EU RPR)
- Class 5 + 6: Working of European Insolvency Regulation (Recast) and relation to other rules of International Private law**
- Scope and aims of European Insolvency Regulation
  - Jurisdiction, applicable law and recognition
  - Security rights in a cross-border setting
  - Establishing Comi
  - Comi-migration & insolvency tourism
  - Groups of companies
  - Co-operation of trustees
- Class 7: Harmonisation of European and International Insolvency Law**
- Harmonisation at a European Level
  - TBTF (Too Big To Fail)
  - Protection of employees in the event of the insolvency of their employer (Directive Nr. 80/987)
  - Deposit Guarantee Scheme (Directive Nr. 94/19)