# International Comparative Legal Guides

Practical cross-border insights into restructuring & insolvency law

# Restructuring & Insolvency 2023

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## Industry Chapter



## Expert Analysis Chapters



## Q&A Chapters

# Austria

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## 1 Overview

**1.1 Where would you place your jurisdiction on the spectrum of debtor- to creditor-friendly jurisdictions?**

Austria is generally considered a creditor-friendly jurisdiction, although the introduction of the new Reorganisation Code via the Restructuring and Insolvency Directive Implementation Act now provides an additional option for debtors to restructure in pre-insolvency situations.

**1.2 Does the legislative framework in your jurisdiction allow for informal work-outs, as well as formal restructuring and insolvency proceedings, and to what extent are each of these used in practice?**

Austrian law allows for both informal work-outs as well as (within the framework of the Austrian Insolvency Act) formal restructuring and insolvency proceedings, all of which are used in practice. The Austrian Insolvency Act provides for three types of insolvency proceedings, namely:

- insolvency proceedings with self-administration (*mit Eigenverwaltung*) (where the management of the debtor retains control over the day-to-day business);
- insolvency proceedings without self-administration (*ohne Eigenverwaltung*) (where the court-appointed administrator takes control over the day-to-day business); and
- bankruptcy proceedings (where the court-appointed administrator takes control over the debtor, with the task of realising all assets and paying off the creditors).

Since June 2021, the Reorganisation Code also provides for an in-court restructuring procedure for solvent debtors likely to become insolvent (except for companies operating the financial sector).

In addition, the Austrian Reorganisation Act provides for the restructuring of a company in financial distress which is, however, of little practical relevance, as the completion of such procedure requires the consent of all creditors.

The following chapter solely deals with restructurings and insolvency proceedings of corporate entities, and not individuals.

## 2 Key Issues to Consider When the Company is in Financial Difficulties

**2.1 What duties and potential liabilities should the directors/managers have regard to when managing a company in financial difficulties? Is there a specific point at which a company must enter a restructuring or insolvency process?**

Managing directors must file for the opening of insolvency proceedings if the debtor is "insolvent" without culpable delay (*schuldhafte Verzögerung*) and in any event, no later than within 60 days of its insolvency, unless they apply for the opening of reorganisation proceedings before that deadline. A debtor is considered insolvent if it is illiquid or over-indebted. A debtor is illiquid if it cannot pay its due debts on a permanent basis, not just temporarily (*Zahlungsstockung*). Generally, it is assumed that where a debtor can pay at least 95% of its due debts, it will become liquid again (temporarily). A debtor is over-indebted if its assets (valued at their liquidation and not their book values) would not be sufficient to pay off all its debts in a liquidation (*rechnerische Überschuldung*) and a forecast (*Fortbestehensprognose*) would show that the debtor will not be able to maintain its liquidity for the near future (*Primärprognose*) and achieve a turnaround within the next two to three business years (*Sekundärprognose*). Where there is a failure to file for the opening of insolvency proceedings or restructuring proceedings in time, the managing directors may become liable towards the debtor's existing creditors (i.e., creditors who had a claim against the debtor before the opening of the insolvency proceedings) for the difference between the quota they would have received in case of a timely filing, and the lower quota they actually received (*Quotenschaden*), and towards its new creditors (i.e., creditors who became creditors after the point in time when management would have been obliged to file), for the damage suffered as a result of their contracting with the debtor, assuming that it was not insolvent (*Vertrauensschaden*).

In addition, there is (increased) risk of criminal liability, most notably on the basis of the following: gross negligent encroachment of creditors' interests; preferential treatment of creditors; withholding of social security payments; and fraudulent intervention with creditors' claims.

**2.2 Which other stakeholders may influence the company's situation? Are there any restrictions on the action that they can take against the company? For example, are there any special rules or regimes which apply to particular types of unsecured creditor (such as landlords, employees or creditors with retention of title arrangements) applicable to the laws of your jurisdiction? Are moratoria and stays on enforcement available?**

Shareholders or members of the supervisory board of the debtor (if any) are not entitled to file for the opening of insolvency proceedings. If they exert their influence to induce management not to file for the opening of proceedings, they may be exposed to civil and criminal liability for contributing to a delay of the filing. Creditors are entitled to (and frequently do) file for the opening of insolvency proceedings; however, they can only file for the opening of bankruptcy proceedings, and not for the opening of in-court restructuring proceedings. There are no special rules or regimes applying to particular types of unsecured creditors with regard to filing.

As for reorganisation proceedings under the Restructuring Code, these can only be initiated by the debtor.

Moratoria and stays on enforcement may apply in reorganisation proceedings under the RO as well as in-court proceedings (see question 3.7).

### 2.3 In what circumstances are transactions entered into by a company in financial difficulties at risk of challenge? What remedies are available?

Court-appointed insolvency administrators can challenge transactions that occurred within certain "suspect periods" prior to the opening of the insolvency proceedings, if there is a prospect that the recovery of the creditors can be increased thereby, and one of the following grounds for challenge can be established:

- discrimination against creditors (*Benachteiligung*), where the debtor at least accepted the discriminating effect (*dolus eventualis*) and the counterpart knew (10-year suspect period) or negligently failed to know of the debtor's motivations (two-year suspect period);
- squandering of assets where the counterpart knew or negligently failed to know that the transaction constitutes squandering (one-year suspect period);
- transfers without consideration (*unentgeltliche Verfügungen*) (two-year suspect period);
- favouring of creditors (*Begünstigung*) by payment or provision of security:
  - where the creditor is not entitled to such payment or security (*inkongruent*), no additional prerequisites apply; and
  - where the creditor is entitled to such payment or security (*kongruent*), the debtor must at least have accepted the favouring effect (*dolus eventualis*) and the creditor must have known or negligently failed to know of the debtor's motivations (one-year suspect period); and
- certain transactions with the (already) insolvent debtor where the counterpart knew or negligently failed to know of the debtor's insolvency (six-month suspect period).

## 3 Restructuring Options

### 3.1 Is it possible to implement an informal work-out in your jurisdiction?

As mentioned under question 2.1 above, the managing directors must file for the opening of insolvency proceedings if the debtor is "insolvent" without culpable delay (*schuldhafte Verzögerung*) and in any event, no later than within 60 days of its insolvency or file for the opening of (in-court) restructuring proceedings before that deadline. Out-of-court restructurings are therefore only an option prior to the lapse of the 60-day back-stop period and only as long as the out-of-court restructuring is diligently pursued and there is a prospect of success.

The obvious advantage of an out-of-court restructuring is that the proceedings are not registered in the insolvency database (*Ediktsdatei*) (as would be the case with in-court restructuring proceedings), and thus it is less likely to become public. The other advantage is that out-of-court restructurings tend to offer more flexibility and can be implemented quicker if all relevant parties contribute. The disadvantage is that out-of-court restructurings only capture the contracting parties (and not all insolvency creditors) and in certain situations there may be a risk of voidance where an agreement is entered into at a time where the debtor is already insolvent and the effect thereof is to potentially dilute the value of the insolvency estate.

### 3.2 What informal rescue procedures are available in your jurisdiction to restructure the liabilities of distressed companies?

Since June 2021, the Reorganisation Code has provided for court-supervised rescue proceedings for distressed companies (except for companies operating the financial sector). Pre-packaged sales (that is, a sale pre-agreed pre-filing and completed after filing) are not foreseen by the Reorganisation Code nor does it provide for a forced debt-for-equity swap. As the Reorganisation Code was only enacted recently, there is almost no practical experience regarding pre-packaged sales or debt-for-equity swaps.

Creditors can influence the proceedings by threatening to withhold consent to the reorganisation plan. The court must schedule a hearing for the vote on the restructuring plan within (at most) 60 days from the receipt of the application by the debtor. The plan needs to set out the reorganisation measures and contributions of the creditors. At the scheduled court hearing, the vote on the plan is made in creditor classes, with a double majority (by head-count and claim amount) within each creditor class required for acceptance. A failure to reach the required majority in all classes does not automatically lead to the rejection of the plan; rather, the Reorganisation Code provides for a court-approved, cross-class cramdown (including minority protection), which replaces the approval of dissenting stakeholders.

The reorganisation plan needs to be approved by the court. Upon approval, the measures set forth in the plan will become effective. Creditors can appeal against the approving decision; however, such appeal has no suspensive effect. If only financial creditors are affected by the restructuring plan, a large majority of whom have already approved the plan, the debtor can apply for a simplified procedure.

Shareholders also have some influence on the reorganisation proceedings, in case measures foreseen by the restructuring plan require shareholder approval. However, such approval can be replaced by a decision of the court, if the shareholders are not acting reasonably.

### 3.3 Are debt-for-equity swaps and pre-packaged sales possible? In the case of a pre-packaged sale, are there any restrictions on the involvement of connected persons?

Pre-packaged sales are not foreseen by the Austrian Insolvency Act, nor does the Austrian Insolvency Act provide for a forced debt-for-equity swap. What occasionally happens is that shareholder debt gets waived (and thereby converts into equity). Another method that helps in cases of impending over-indebtedness is contracted qualified subordination (*qualifizierte Nachrangerklärung*). The effect of contracted qualified subordination is that the shareholder (sometimes also other debt) is not considered debt when determining whether the company is over-indebted (see question 2.1).

### 3.4 To what extent can creditors and/or shareholders block such procedures or threaten action (including enforcement of security) to seek an advantage? Do your procedures allow you to cram-down dissenting stakeholders? Can you cram-down dissenting classes of stakeholder?

In insolvency proceedings, creditors can influence the process through threatening to withhold their consent to the restructuring plan. The restructuring plan must be approved by simple majority (by headcount) of the insolvency creditors present at the restructuring plan hearing (*Sanierungsplantagsatzung*), who must represent at least 50 per cent of the outstanding unsecured debt represented at the hearing, and the plan must also be confirmed by a decision of the court. In principle, the restructuring plan must treat all insolvency creditors equally (*Paritätsprinzip*) unless (where a group of insolvency creditors is concerned) unequal treatment is approved by a simple majority (by headcount) of the affected insolvency creditors present at the restructuring plan hearing, who must represent at least 75 per cent of the affected insolvency claims represented at the hearing or (where an individual creditor is concerned) the individual creditor has granted his explicit consent. The court decision confirming the restructuring plan releases the debtor from his obligation to pay insolvency creditors in excess of the agreed quota. If the debtor defaults and fails to come current during the requisite cure period, the released claims are reinstated and become immediately due.

Shareholders also have some (albeit less formalised) influence on the insolvency proceeding since, in most cases, the debtor will require additional shareholder funding to (a) service the estate claims (*Masseforderungen*), and (b) fulfil the payment obligations pursuant to the (approved) restructuring plan. The Austrian Insolvency Act does not provide for a (creditor-initiated) cram-down of a debtor's shareholders as a whole or classes of a debtor's shareholders.

### 3.5 What are the criteria for entry into each restructuring procedure?

Proceedings under the Restructuring Code can only be opened upon application by the debtor, provided that an insolvency of the debtor is likely. In the application, the debtor must present a formal restructuring plan or an abbreviated restructuring concept, which has to be expanded to a formal restructuring plan within 60 days.

The reorganisation plan needs to present the intended reorganisation measures and steps and the contributions of the creditors across the different classes (i.e., secured creditors, unsecured creditors, bondholders, subordinated creditors, and protected creditors (mainly creditors with claims below € 10,000). Claims of employees of the debtor are not affected by the restructuring plan.

The insolvency court will open insolvency proceedings (*Insolvenzverfahren*) as bankruptcy proceedings (*Konkursverfahren*) (only) upon application of the debtor (or its management) or a creditor of the debtor. The proceedings are opened as bankruptcy proceedings (*Konkursverfahren*) unless the debtor has filed for the opening of the proceedings and has submitted a viable restructuring plan (*Sanierungsplan*). Creditor-initiated proceedings can later be converted into restructuring proceedings upon application of the debtor and a viable restructuring plan.

The restructuring plan must provide: (i) that the rights of secured creditors (that is, rights of creditors holding an ownership interest in an asset (*Aussonderungsgläuber*) and the rights of creditors holding a security interest in an asset (*Absonderungsgläubiger*) to the proceeds of enforcement into that asset) will not be affected; (ii) full payment of all estate claims (*Masseforderungen*) (see question 4.6); as well as (iii) an offer to pay at least 20 per cent (or 30 per cent if self-administration is requested) of the claims filed by insolvency creditors within two years of confirmation of the restructuring plan. Furthermore, the debtor must provide evidence that they can fund the estate claims for a period of 90 days following the application.

### 3.6 Who manages each process? Is there any court involvement?

In out-of-court restructurings, the debtor retains full control and there is no court involvement.

For in-court restructuring proceedings, the debtor retains control of its business. Under certain circumstances, the court must appoint a restructuring administrator, which – depending on the circumstances – will only assist the debtor in preparing and negotiating the restructuring plan or will also take over a supervisory function or assume partial control over certain of the assets of the debtor or may be given veto rights in respect of certain transactions of the debtor. The restructuring administrator's role usually ends upon acceptance of the restructuring plan by the creditors and confirmation by the insolvency court.

For in-court insolvency proceedings with self-administration (*Eigenverwaltung*), the debtor retains control but requires the consent of the administrator for matters outside the ordinary course of business. In addition, the administrator may (on its own initiative) veto matters within the ordinary course of business. In in-court restructurings without self-administration (*ohne Eigenverwaltung*), control transfers to the administrator. The administrator's role usually ends upon acceptance of the restructuring plan by the creditors and confirmation by the insolvency court. The restructuring plan may, however, also provide that a trustee is appointed to: (i) supervise the fulfilment of the restructuring plan by the debtor (in which case supervision is similar to that during restructurings with self-administration); (ii) take over the estate (*übernehmen*) with the mandate to fulfil the restructuring plan (*Sanierungstreuhand*); or (iii) liquidate the estate (*Liquidationstreuhand*).

### 3.7 What impact does each restructuring procedure have on existing contracts? Are the parties obliged to perform outstanding obligations? What protections are there for those who are forced to perform their outstanding obligations? Will termination and set-off provisions be upheld?

Out-of-court restructurings do not have any impact on existing contracts and the parties' performance obligations thereunder.

Regarding in-court restructuring proceedings, the debtor can petition the court to issue an enforcement ban (*Vollstreckungssperre*) regarding certain not fully performed contracts, which are vital for the success of the restructuring; such enforcement ban can last up to six months. During the validity of such ban, the covered contracts cannot be terminated on grounds of payment default and deterioration of the financial or economic state of the debtor. Funding commitments under credit lines are, however, exempt.

For in-court insolvency proceedings, special termination rights apply for contracts not (fully) performed by either party, for leases and for employment contracts. In addition, vital contracts (that is, contracts that are essential for the success of the restructuring) can only be terminated for good cause for six months following the opening of the proceedings. Default on payments and deterioration of the financial or economic state of the debtor is not considered good cause for such purposes. Funding commitments under credit lines are, however, exempt. Where no specific termination provision applies and no vital contract is concerned, terminations remain unaffected. Where contractual partners are obligated to continue to perform following the opening of an insolvency proceeding, claims for services provided after the opening of the proceedings are treated as (preferred) estate claims (*Masseforderungen*). Set-off provisions will be upheld, but with modifications: contingent and undue debt becomes due, and non-monetary claims (e.g., for performance) convert to monetary claims upon the opening of the proceedings. The set-off claim must exist at the time of the opening of the proceedings. Moreover, a set-off is excluded if the creditor knew of the insolvency when he acquired the claim.

### 3.8 How is each restructuring process funded? Is any protection given to rescue financing?

The debtor needs to provide proof of funds to cover the estate claims (*Masseforderungen*) for a period of 90 days following the application, both for in-court restructuring and insolvency proceedings. There are no restrictions on the sources of funding, so funds can be provided by shareholders, through operating cash flows, through existing unutilised financing lines or through additional new debt financing.

## 4 Insolvency Procedures

### 4.1 What is/are the key insolvency procedure(s) available to wind up a company?

A company is wound up following (i) resolution of its shareholders to dissolve and liquidate the company (voluntary liquidation), or (ii) closure of bankruptcy proceedings (*Konkursverfahren*).

### 4.2 On what grounds can a company be placed into each winding up procedure?

A voluntary liquidation is initiated by a resolution of the shareholders of a company. In such resolution, a special suffix is added to the company name to denote that the company is in wind-down. Both the resolution and the change of the company name have to be notified to the Companies Register.

For the preconditions of opening bankruptcy proceedings, see question 2.1 above. As mentioned above, the debtor can apply for a conversion of bankruptcy proceedings into restructuring proceedings.

### 4.3 Who manages each winding up process? Is there any court involvement?

A voluntary liquidation is managed either by (all or some of) the managing directors of the company, or by newly appointed liquidators, as decided by the company's shareholders. Court involvement is limited; the liquidators have to make certain filings with the Companies Register, which are only subject to a limited review by the court. The liquidators will have to terminate all existing contractual relationships of the company, settle all outstanding claims, and repay the company's debts before the company can finally be wound down and deleted from the register.

In case of bankruptcy proceedings, the administrator takes care of the realisation of the assets and the payment of the quota to the insolvency creditors. The company is then terminated.

### 4.4 How are the creditors and/or shareholders able to influence each winding up process? Are there any restrictions on the action that they can take (including the enforcement of security)?

In a voluntary liquidation, the liquidators need to pay off all existing creditors of the company, so the creditors are in a strong position to demand full repayment of their claims. Shareholders still retain their influence (to the extent permitted by law), even after they decide to put the company in liquidation.

In bankruptcy proceedings, the shareholders do not have any noticeable influence on the proceedings. They are, however, entitled to bid for the debtor's assets in the same way as other creditors. The influence of unsecured creditors is also limited in bankruptcy proceedings; certain decisions of the administrator require the prior consent of the creditors' committee, where the various creditors have voting rights depending on the amount of their (accepted) claims against the debtor.

### 4.5 What impact does each winding up procedure have on existing contracts? Are the parties obliged to perform outstanding obligations? Will termination and set-off provisions be upheld?

In a voluntary liquidation, the shareholder decision to dissolve and liquidate the company does, by itself, not have an impact on existing contracts. However, quite frequently, counterparties will have negotiated a contractual right to terminate their contract for good cause in such cases. Absent a contractual termination right, contracts have to be performed. Similarly, the ability to set off is typically not affected by a shareholder decision to dissolve and liquidate the company.

In bankruptcy proceedings, the administrator may elect to assume or withdraw from contracts that neither party has fully performed at the time of the opening of the insolvency proceedings. If the contract is assumed, further claims of the contracting party are (preferred) estate claims (*Masseforderungen*). In case of a withdrawal, any resulting damage claims of the contracting party are ordinary insolvency claims (and thus limited to the quota). Where the debtor is a tenant, the administrator (not the landlord) can terminate the lease, in which case he must only observe the statutory notice period or a shorter contractual notice period (but is not bound by a longer contractual notice period). The six-month limitation for vital contracts referred to under question 3.7 above may also apply in bankruptcy proceedings if the administrator has sufficient funds to pay the estate claims and can show that keeping such contracts in place will likely enhance the chances of successfully selling the business as a going concern during the bankruptcy proceedings for higher sales proceeds. Where the debtor is the landlord, no special termination rights exist. As regards set-off provisions, please see question 3.7 above.

### 4.6 What is the ranking of claims in each procedure, including the costs of the procedure?

There are two types of secured creditors: *Aussonderungsgläubiger* (who are entitled to request the return of assets in which they hold a property interest); and *Absonderungsgläubiger* (who are entitled to preferred settlement out of the proceeds of enforcement against the assets subject to their security interest; any surplus of enforcement goes to the general insolvency estate (*Gemeinschaftliche Insolvenzmasse*)). Then there are the *Massegläubiger* of estate claims (*Masseforderungen*) (these are, ranked in order of practical relevance: claims for labour; services and goods furnished to the estate post-filing; the costs of the proceedings (including the remuneration and reimbursement awarded to the creditor's committee and the Special Creditors' Rights Protection Associations); any monies advanced by a third party to cover the initial costs of the proceedings (to avoid a dismissal of the filing in *limine*); and the fees of the administrator), which rank prior to other (unsecured) claims and are shared pro rata amongst themselves. The remainder of the estate is shared among the insolvency creditors (those are unsecured creditors who filed claims against the estate, which were not contested) on a *pro rata* basis. Subordinate creditors do not participate in insolvency proceedings unless asked to do so by the court in circumstances where it is likely that a surplus will be available for distribution. A creditor may be subordinated by operation of contracted subordination (see question 3.2 above), but also by operation of the law, most notably the Equity Replacement Act which prohibits payments under loans made by qualified shareholders (controlling shareholders and shareholders holding a stake of at least 25 per cent) in a "crisis" for as long as the crisis continues.

### 4.7 Is it possible for the company to be revived in the future?

Following the completion of the bankruptcy proceedings, the debtor is deleted from the companies register. To the extent additional assets of the debtor are discovered at a later stage, the company could be reinstated for as long as it takes to realise and distribute such additional assets to the creditors.

## 5 Tax

### 5.1 What are the key tax risks which might apply to a restructuring or insolvency procedure?

The opening of restructuring or insolvency proceedings themselves do not give rise to tax risks. However, where a restructuring involves a subordination or waiver of existing shareholder debt, the debtor may realise a taxable gain as a result. In most circumstances, that taxable gain will not be that relevant, as the gain can be offset against current losses or loss carry-forwards.

## 6 Employees

### 6.1 What is the effect of each restructuring or insolvency procedure on employees? What claims would employees have and where do they rank?

The opening of in-court restructuring proceedings does not affect the employees; according to the Reorganisation Code, claims of employees will not be affected by a cram-down.

The opening of in-court insolvency proceedings by itself does not affect the employees of the debtor. However, the administrator has special termination rights in case of a partial or total closure of the business, only requiring the administrator to comply with the mandatory notice periods under statute, and the applicable collective bargaining agreement, but not the longer contractual notice periods. A similar provision is available to a debtor in a restructuring with self-administration if he decides to close part of the business or unit, and continuing the employment of an employee of that part of the business or unit would put the restructuring or the business at risk. Such a measure, however, requires the consent of the administrator.

Please note that mass lay-offs in connection with restructuring or insolvency proceedings require a 30-day pre-notification of the competent branch of the Austrian Labour Market Service. During the aforementioned 30-day notice period, no termination can be effectively announced – which means that the notice period is *de facto* prolonged by the 30-day period.

Post-petition salaries of employees as well as the costs for terminating certain types of employment agreements are estate claims (see question 4.6). Claims of employees for periods before the opening of the proceedings (i.e., back pay, unpaid severance payments, etc.) are normal insolvency claims sharing the general quota. However, Austria maintains an Insolvency Contingency Fund, where employees receive compensation for back pay and other claims from the employment relationship that arose no earlier than six months before the opening of in-court insolvency proceedings (up to a specified maximum amount), in exchange for passing on their claims to the Insolvency Contingency Fund; as a result of this scheme, the Insolvency Contingency Fund is typically one of the bigger creditors in in-court restructuring proceedings.

## 7 Cross-Border Issues

### 7.1 Can companies incorporated elsewhere use restructuring procedures or enter into insolvency proceedings in your jurisdiction?

Companies registered in another EU Member State can enter into insolvency proceedings in Austria if the centre of their main interests (COMI) is in Austria and no insolvency proceedings have been opened in respect of that debtor in another EU Member State as a main proceeding according to Council Regulation (EC) No 848/2015. Companies registered outside the EU can, in principle, also enter into insolvency proceedings in Austria, if their COMI is in Austria; however, there is a rebuttable assumption that the COMI is located in its country of registration.

### 7.2 Is there scope for a restructuring or insolvency process commenced elsewhere to be recognised in your jurisdiction?

Insolvency proceedings that were opened as main proceedings in another EU Member State must be recognised in Austria pursuant to Council Regulation (EC) No 848/2015.

Insolvency proceedings opened outside of EU Member States are recognised provided that the COMI of the debtor is located in the country where the insolvency proceedings were opened and the foreign insolvency proceeding is comparable to an Austrian insolvency proceeding. Please note that the Insolvency Act does not provide for a formal recognition procedure. Accordingly, the effects of such foreign insolvency proceedings will be decided by Austrian courts primarily when creditors try to initiate enforcement actions against the debtor in Austria.

### 7.3 Do companies incorporated in your jurisdiction restructure or enter into insolvency proceedings in other jurisdictions? Is this common practice?

Generally, Austrian companies tend to restructure or enter into insolvency proceedings in Austria. As opposed to Germany, where several debtors have tried to open insolvency proceedings in the UK in the recent past, we have not observed such attempts in Austria.

## 8 Groups

**8.1 How are groups of companies treated on the insolvency of one or more members? Is there scope for co-operation between officeholders?**

Since the 2017 amendment, the Austrian Insolvency Act incorporates the provisions of Council Regulation (EC) No 848/2015 regarding insolvency proceedings for groups of companies. These provisions basically provide for increased coordination of insolvency proceedings for the various group entities.

## 9 The Future

**9.1 What, if any, proposals exist for future changes in restructuring and insolvency rules in your jurisdiction?**

We expect to see some amendments to the Austrian insolvency regime once the proposed EU-Directive harmonising certain aspects of insolvency law (COM (2022) 702 final) is adopted.

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