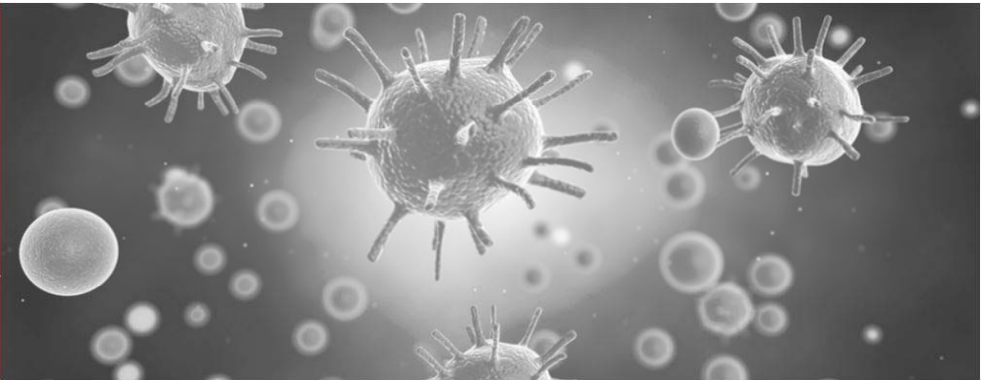


## CORONAVIRUS ALERT

24/7



# Business support 24/7 during coronavirus pandemic

## New rules for applying for bankruptcy during the epidemic

### Suspension of the running of time limits: from when? for whom?

- On 16 April 2020, the Sejm (lower house of parliament) adopted a law that extends the time limit for filing an application for bankruptcy to 30 days from the end of the state of epidemic (i.e. from repeal of the regulation declaring a state of epidemic). At present, the time limit for filing an application for bankruptcy is not running, which means that **companies' management boards are temporarily not obliged to file an application.**
- The "insolvency amnesty" applies only to **cases of insolvency arising after 13 March 2020**, i.e. after the state of epidemic was declared, and **only if the insolvency was due to COVID-19**. However, the law introduces the presumption that insolvency is precisely due to COVID-19. This will make it easier to defend companies' management against creditors' claims in the future.
- Extending the time limit for filing for bankruptcy may give companies the time needed to return to normal operations, pay off excessive debt and save the company, including in restructuring proceedings.

### Repeal of obligation, but not prohibition

- Suspension of the bankruptcy filing time limit does not mean that an application cannot be filed. A company may file an application even while the epidemic is still going on if it sees no chance of improvement. Moreover, there are no obstacles to trying to save the company in restructuring proceedings.
- **The law does not prohibit creditors filing a bankruptcy petition either.** They may do so both during and after the state of epidemic.

### Restructuring issues without standstill

- At present, many court cases are not underway due to the paralysis of the courts caused by the epidemic. However, this does not apply to cases for opening court restructuring which have been included on the so-called list of urgent cases. **An entrepreneur that wants to restructure can now also count on judicial protection.** In the near future, the legislator also intends to unblock the hearing of other insolvency-related cases in the courts.

DZP has an experienced team of specialists who are essential to entrepreneurs in crisis. We offer the assistance **not only of lawyers but also of restructuring advisers**. We have a **multidisciplinary restructuring team**. It is also made up of experts from various sectors, each of whom has in-depth expert knowledge and extensive experience in conducting insolvency-related cases in their own discipline.

# We are at your disposal

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