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On changes in bankruptcy law

On December 13, 2022, a new law on insolvency settlement was signed in Belarus, which will come into force on October 1, 2023. It will regulate the procedure for declaring companies bankrupt or insolvent. Currently, a law of 13.07.2012 "On economic insolvency (bankruptcy)" is in force in Belarus.

The main purpose of the amendments in bankruptcy is to use in maximum the period of rehabilitation. For example, the number of protective measures, which may help companies to restore their solvency, will increase. Such measures, in particular, may include the right to negotiate with creditors on the right to change the terms and conditions of obligations, the use of mediation procedures, the placement of new shares among shareholders; the exclusion of the possibility of contractors of the company to terminate or change the provisions of contracts because of the opening of the insolvency case. The enterprise itself has the right to initiate insolvency to go into reorganization if there are no funds in the accounts to pay debts. The term of rehabilitation is set at 36 months with the possibility of extension by the court at 24 months to restore solvency or to settle accounts with creditors.

The authorities will be given rights to control over the rehabilitation plan.

It is important to note that the cases of economic insolvency (bankruptcy), which were initiated before October 1, 2023, will be continued in accordance with the requirements of the current legislation.

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