



# JCOERE Judicial Co-operation Supporting Economic Recovery in Europe

## Report 2

Report on Judicial Co-operation in  
Preventive Restructuring and  
Insolvency in the EU

*Substantive and procedural harmonisation,  
judicial practice and guidelines.*



INSOL  
EUROPE



UNIVERSITÀ  
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Published September 2020

<https://www.ucc.ie/en/jcoere/>

## VIII. Chapter 8: JCOERE Focus Group Survey on Judicial Cooperation Guidelines Awareness, Use, and Recommendations

### 8.1 JCOERE Survey of Judicial Practice: Introduction and Methodology

One of the aims of the JCOERE Project has been to explore awareness of the guidelines described in Chapter 6, their use, and their potential to support co-operation amongst members of the European judiciary. This Chapter describes a survey that was disseminated to three separate focus groups of judges within the EU to determine their experience with cross-border co-operation, as well as their awareness of the guidelines applicable court-to-court co-operation, along with other aspects that could bear some relevance to the ease of judicial co-operation generally. The latter aspect of the survey reflects some of the themes and observations outlined in Chapter 4 of this Report which described how the EU has adopted policies and initiatives addressing challenges to the rule of law within the EU and supporting increased mutual trust between jurisdictions.

At the planning stage, it was intended to disseminate an English language survey among networks of judges throughout the EU. On the recommendations of our partners at Università degli Studi di Firenze and Universitatea Titu Maiorescu in Bucharest, the team undertook to create the survey in both Italian and Romanian to avoid any reticence to take the survey based on a language preference. The survey was therefore produced in three different languages (English, Italian, and Romanian) and disseminated to three different focus groups: INSOL Europe Judicial Forum and an additional group of Irish judges;<sup>1</sup> networks of Italian Judges;<sup>2</sup> and the Romanian Magistracy networks.<sup>3</sup> There was a window of approximately one month within which the surveys could be completed, resulting in 17 responses to the English Language Survey, 14 responses from the Romanian Language Survey, and 19 responses to the Italian Language Survey.

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<sup>1</sup> The JCOERE Project Team would like to express its gratitude in particular to the Honourable Judge Michael Quinn of the Irish High Courts and Lorna Reid for facilitating the contact with both the INSOL Europe Judicial Forum and the group of Irish judges hearing commercial cases in Ireland. This group of judges will be referred to throughout the rest of this Report as the English Language Focus Group or “ELFG”.

<sup>2</sup> The JCOERE Project Team would like to express its gratitude in particular to Professor Lorenzo Stanghellini of Università degli Studi di Firenze for facilitating the contact with the network of Italian Judges.

<sup>3</sup> The JCOERE Project Team would like to express its gratitude in particular to Judge Nicoleta Mirela Nastasie of the Bucharest Tribunal for facilitating the contact with the network of judges among the Romanian Magistracy.



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This project (no. 800807) is funded by the European Union’s Justice Programme (2014-2020).

The survey was divided into three main sections. The first section contained preliminary questions pertaining to the judicial role, specialism, jurisdiction, and finally, the requirements for training, both to become a judge and in relation to hearing insolvency cases. This section was designed to highlight commonalities and differences between the participants and to assist in the categorisation of responses to questions asked later in the survey. The second section focussed on the participants' experience with co-operation and communication in cross-border insolvency cases. The final section then assessed the awareness and use of a list of 14 guidelines, both European and international, that provide advice on co-operation and communication in cross-border cases, as described in Chapter 6 of this Report. Some of these guidelines focus on cross-border insolvency, whereas others are less specialised in nature. The questions in this survey were intended to satisfy one of the tasks under Workpackage 3 of the JCOERE Project, specifically to gauge awareness of co-operation guidelines amongst members of the judiciary and to enhance such awareness.

## **8.2 Observations from the Judicial Survey**

The Judicial Survey was answered by a total of 50 judges from 11 different jurisdictions. Of these judges, 13 indicated that they only hear insolvency related cases, while 25 hear cases of a commercial or corporate nature, with the last 12 hearing a variety of civil cases.

### *8.2.1 Judicial experience with co-operation*

A key theme explored by the survey was the experience that members of each focus group had with cross-border co-operation. It is interesting to note initially that out of the 50 responding judges, 16 had specific training on how to deal with co-operation in cross-border cases (6 in the English Language Focus Group (ELFG); 4 in Italy; and 6 in Romania). In terms of the experience indicated in relation to co-operation, there were some interesting results, as set out in the table below:

	<b>ELFG</b>	<b>Italian Judges</b>	<b>Romanian Judges</b>
<b>Insolvency co-operation experience in the EU</b>	<b>4/17</b>	<b>2/19</b>	<b>6/14</b>
<b>Of those, also trained in co-operation</b>	<b>2/4</b>	<b>1/2</b>	<b>4/6</b>
<b>Co-operating on EU insolvency cases only</b>	<b>3/4</b>	<b>1/2</b>	<b>2/6</b>
<b>Co-operating in international insolvency cases</b>	<b>1/4</b>	<b>1/2</b>	<b>4/6</b>
<b>Non-insolvency co-operation experience in the EU</b>	<b>5/17</b>	<b>4/19</b>	<b>8/14</b>
<b>Of those, also trained in co-operation</b>	<b>4/5</b>	<b>2/4</b>	<b>3/8</b>
<b>Co-operation in international non-insolvency cases</b>	<b>3/17</b>	<b>2/19</b>	<b>4/14</b>
<b>Of those, also trained in co-operation</b>	<b>2/3</b>	<b>0/2</b>	<b>3/4</b>

The focus group responses indicate a diverse experience with both co-operation itself and with training in co-operation. Interestingly, a strong correlation between the two is not actually indicated. Some judges appear to have co-operated without any training in the area, while others have had training that they have not yet had the opportunity to use. In the responses to the English Language Survey, there does seem to be a correlation between the length of service and experience co-operating in cross-border matters; however, no such correlation exists in the Italian or Romanian responses.

It can be observed from the responses that the reach of current co-operation training could be improved. It is recommended that the EU Commission could address this matter in coordination with national training initiatives, which will be discussed below in section 8.3.

The responses also indicate that co-operation may not be as widespread as initially surmised within the JCOERE hypothesis. While some of the judges have co-operated both inside and outside of the EU and in both insolvency and other matters, the numbers who have engaged in cross-border co-operation are still less than half of the total number of responding judges.<sup>4</sup> Interestingly, it seems the Romanian magistracy has experienced requests for co-operation more frequently than the judges who responded to the English Language or Italian surveys. Our survey did not collect information that could be specifically useful in identifying why this may be the case, however, it is certainly an area worth exploring. The general response reflected the experience of practitioners as reported at INSOL events, namely that cross border insolvency *litigation issues, as distinct from transactions*, were not that common within

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<sup>4</sup> Also less than half of those who responded to the survey in each focus group.

the EU, nor were issues requiring the formal need to raise or address court-to-court co-operation. In contrast, the relative frequency in Romania could indicate an interesting characteristic of Romania and the Romanian judiciary, or may perhaps be reflective of patterns of trading in newer EU Member States, or of those states, which are located centrally within Europe, or which are close to a number of non-EU countries.

It should be noted that because the EIR Recast has only been in effect since 26<sup>th</sup> June 2017 and therefore a relatively short period of time, little case law has been generated under it. This could be a factor in the low numbers of judges with co-operation experience, as it may be that the issue of cross-border co-operation as it pertains to the enhanced obligation to co-operate in the EIR Recast has not yet arisen for the judges within these groups. That said, as the obligation becomes more known and companies become even more global, training in this area should certainly be more targeted to ensure that those who may be asked to co-operate have had the training to do so effectively. Given the COVID-19 crisis, current at the time of writing, and the likely impact to the economy that it will have, there will certainly be an increase in insolvencies internationally over the next several years. Cross-border co-operation may become even more important in that context.

### *8.2.2 Awareness and use of co-operation and communication guidelines*

The second key theme of the survey is the awareness and utilisation of various co-operation guidelines that have been developed either internationally or at a European level, in connection with the original EIR.<sup>5</sup> Given the relative newness of the EIR Recast, it is perhaps unsurprising that a new specific co-operation and communication guideline has not yet been fully developed to reflect the enhanced obligation to co-operate within the EU, though a project to update the CoCo guidelines<sup>6</sup> is ongoing with an expectation that a revised set of guidelines will be released in late 2020. This project is discussed further in section 8.2.3.

The JCOERE Judicial Survey noted 14 different co-operation and cross-border insolvency guidelines and recommendations, 6 of which were discussed in detail in Chapter 6 in terms of shared themes that arise in cross-border insolvency cases requiring co-operation.<sup>7</sup> The resources were chosen on the basis that they had some connection with both cross-border insolvency law and advice or guidelines on dealing with such cases from a co-operative perspective, or because they touched on the benefits of co-operation in some way. Such guidelines range from bespoke communication and coordination guidelines, to recommendations on how to deal with certain issues arising in cross-border insolvency and restructuring. The level of awareness of each of these guidelines in each focus group is set out

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<sup>5</sup> Council Regulation (EC) no 1346/2000 of 29 May 2000 on insolvency proceedings *OJ L160/1* (hereinafter referred to as the “EIR”).

<sup>6</sup> Bob Wessels and Miguel Virgos, ‘European Communication and Co-operation Guidelines for Cross-Border Insolvency’ (INSOL Europe Academic Wing 2007) (hereinafter referred to as the “CoCo Guidelines”).

<sup>7</sup> Chapter 6 focuses on the Model Law, the ALI-III Global Principles, the World Bank Principles, JudgeCo Principles and Guidelines, CoCo Guidelines, and the ELI Report. The CODIRE and ACURIA projects and the ADB Standards are considered in the annexe to Chapter 6.

in the table below:

	<b>ELFG Out of 17</b>	<b>Italian Judges Out of 19</b>	<b>Romanian Judges Out of 14</b>
<b>Coco Guidelines</b>	<b>12</b>	<b>1</b>	<b>1</b>
<b>JudgeCo Principles and Guidelines<sup>8</sup></b>	<b>11</b>	<b>3</b>	<b>0</b>
<b>The UNCITRAL Model Law<sup>9</sup></b>	<b>15</b>	<b>4</b>	<b>2</b>
<b>EBRD Core Principles<sup>10</sup></b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>INSOL Europe Judicial Wing Book<sup>11</sup></b>	<b>9</b>	<b>2</b>	<b>1</b>
<b>The ELI Report<sup>12</sup></b>	<b>7</b>	<b>2</b>	<b>0</b>
<b>CERIL Statement<sup>13</sup></b>	<b>5</b>	<b>2</b>	<b>0</b>
<b>CODIRE*</b>	<b>5</b>	<b>2</b>	<b>0</b>
<b>ACURIA*</b>	<b>3</b>	<b>1</b>	<b>0</b>
<b>ALI/UNIDROIT Principles<sup>14</sup></b>	<b>5</b>	<b>6</b>	<b>1</b>
<b>World Bank Principles<sup>15</sup></b>	<b>7</b>	<b>0</b>	<b>0</b>
<b>ALI-III Global Principles<sup>16</sup></b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>ALI General Principles</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>The ALI-III Guidelines<sup>17</sup></b>	<b>5</b>	<b>0</b>	<b>0</b>

<sup>8</sup> 'EU Cross-Border Insolvency Court-to-Court Co-operation Principles' (Tri Leiden, University of Leiden, and Nottingham Law School 2014) (hereinafter referred to as the "JudgeCo Principles and Guidelines").

<sup>9</sup> 'UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment and Interpretation' (United Nations 2014) (hereinafter referred to as the "Model Law").

<sup>10</sup> 'Core Principles for an Insolvency Law Regime' (European Bank for Reconstruction and Development 2004) (hereinafter referred to as the "EBRD Principles").

<sup>11</sup> *The Role of the Judge in the Restructuring of Companies within Insolvency* (Judicial Wing of INSOL Europe 2013) (hereinafter referred to as the "INSOL Europe Judicial Wing Book").

<sup>12</sup> Bob Wessels, Stephan Madaus, and Gert-Jan Boon, *Rescue of Business in Insolvency Law* (European Law Institute 2017) (hereinafter referred to as the "ELI Report").

<sup>13</sup> Conference on European Restructuring and Insolvency Law (CERIL) Statement 2018/01 in Insolvency Regulation (Recast) and National Procedural Rules

<sup>14</sup> 'ALI-UNIDROIT Principles of Transnational Civil Procedure' (American Law Institute and UNIDROIT 2004).

<sup>15</sup> 'Principles for Effective Insolvency and Creditor/Debtor Regimes' (World Bank 2011) (hereinafter referred to as the "World Bank Principles").

<sup>16</sup> 'ALI-III Global Principles for Co-operation in International Insolvency Cases' (International Insolvency Institute 2017) (hereinafter referred to as the ALI-III Global Principles).

<sup>17</sup> 'Guidelines Applicable to Court-to-Court Communications in Cross-Border Cases' (The American Law Institute and the International Insolvency Institute 2001).

\*While the CODIRE Project<sup>18</sup> was completed following the period in which the EIR Recast came into force, its reference to co-operation and communication are not as direct as some of the more targeted guidelines discussed in Chapter 6. The same applies to the ACURIA Best Practices.<sup>19</sup> As a result, any aspects relevant to cooperation contained in these projects are discussed in Annex III (annex to Chapter 6), which is available at the end of this report.

It is interesting to note that the vast majority of those responding to the English Language Survey were aware of at least one of these guidelines (15/17). This is perhaps unsurprising for two reasons. First, the majority of the judges within this group were derived from the INSOL Judicial Forum. Second, the majority of the respondents (16/17) indicated that they attended international judicial events, predominantly INSOL Europe Judicial Forum meetings, wherein it is common to discuss European guidelines and reports. Among the Italian and the Romanian groups, there was comparatively less awareness of the guidelines, with 8 of the 19 respondents for Italy and 4 of the 14 respondents for Romania indicating awareness of one or more of the 14 resources listed in the survey.

There appears to also be an interesting connection between the attendance at international events and knowledge of at least one of the guidelines. Of the 7 Italian respondents who had attended international events, 4 were aware of at least one of the guidelines. 1 of the 4 Romanian respondents who was involved in international events was also aware of at least one of the guidelines. The same filter when applied to the English Language Survey Group revealed that 14 of the 16 who attended international events also had awareness of at least one guideline. It is perhaps an obvious connection, but it does support the Commission's training policy, as described in Chapter 4 of this Report, to involve judges in networks and events to encourage the Europeanisation of Member State judiciaries. Extending this analogy here, it is recommended to encourage a greater proportion of judges (and practitioners) in the Member States, who may be involved in cross-border cases, to attend networking and training events hosted by organisations such as the EJTN or the INSOL Europe Judicial Forum. It is argued that this will help increase awareness of the resources available to aid them in meeting the enhanced obligation to co-operate under the EIR Recast.

Regarding the use of co-operation guidelines, only 4 of the 50 of judges surveyed have referred to such guidelines to aid them in communication and co-operation in cross-border insolvency cases. These 4 judges were split between the English and Italian Language Surveys. On a related point, almost half of the judges surveyed had a preference for creating their own protocol on a case-by-case basis. This may be indicative of a number of things, for example, a desire amongst judges to consider things flexibly and perhaps a preference not to be constrained in advance by a specific set of guidelines, which may be perceived as not being appropriate in every cross-border circumstance. The importance of the jurisdiction of the

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<sup>18</sup> Lorenzo Stanghellini, Riz Mokal, Christoph G Paulus, and Ignacio Tirado, *Best Practices in European Restructuring: Contractualised Distress Resolution in the Shadow of the Law* (Wolters Kluwer 2018) (hereinafter referred to as "CODIRE").

<sup>19</sup> Catarina Frade, et al, 'Assessing Courts' Undertaking of Restructuring and Insolvency Actions: Best Practices, Blockages, and Ways of Improvement' (European Commission 2019) (hereinafter referred to as "ACURIA").

court itself, and its control over proceedings seems to be a second important consideration. The need to respond particularly to the parties to the actual proceedings would also drive flexibility and court control over any co-operation process. The view that protocols created on a case-by-case basis may be preferable was also expressed by some members of the judiciary at INSOL Europe events.<sup>20</sup> This could indicate that members of the judiciary are aware of the possibility raised by the JCOERE project that substantive and procedural issues may arise that will need to be addressed on a case-by-case basis rather than with set guidelines, which may not accommodate them.

It is interesting to note, however, that while only 4 judges in total said that they had actually referred to the guidelines when dealing with a cross-border case requiring co-operation, it seems that those who did refer to guidelines referred to several of them, with different guidelines being referred to in the different cohorts. The English and Italian language groups both referred to the CoCo Guidelines, the Model Law, and the ALI/UNIDROIT Principles, with the English Language respondents also referring to the JudgeCo Principles, the EBRD Guidelines, the Judicial Wing, the ELI Project, and the ALI Transnational Insolvency Principles. Again, it is possible that membership in the INSOL Europe Judicial Wing among the English Language Focus Group has led to a wider awareness of resource among its members. Given the broad awareness of the Model Law, it is unsurprising that all three groups referred to it. The Romanian group was more familiar with international principles, such as the EBRD and the World Bank principles and did not refer to any of the European guidelines, such as JudgeCo and CoCo. As suggested in relation to other aspects of the survey, perhaps this is a reflection of its proximity to and trade with non-EU countries.

### *8.2.3 Desired access to information*

Amongst the respondent judges, there seemed to be a real interest in having access to information either in relation to substantive rules on preventive restructuring processes in other member states (43/50), or case studies demonstrating instances of co-operation (44/50), or both. That said, even access to information is not a clear-cut issue for members of the judiciary. Approximately half of the respondents across the three groups indicated that there were rules applicable to the way in which judges could access information external to a case, while the remaining respondents indicated that there were not. One possible explanation for the contradicting responses, particularly within the same jurisdiction, was that some respondents answered the question as though a proceeding had already commenced before their court, whereas others were answering more generally. In certain jurisdictions, a judge can only formally rely on sources that are opened to them by the parties during the proceedings. In some countries, it appears there are specific rules regarding permitted sources of information. Thus, what may have seemed like quite a simple question at the outset

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<sup>20</sup> This was discussed by the Judicial Wing Panel: 'Co-operation and Communication between Judges in Cross-Border Insolvencies under the EIR Recast' (INSOL Europe Annual Congress, Athens, 5th October 2018). The Judicial Wing Panel was composed of Judge Caroline Costello, Judge Luciano Panzani, and Emil Szczepanik, Ministry of Justice, Poland.



turned out to be more multifaceted than initially imagined. Questions still remain as to what kind of information judges would be able to access from outside sources. There are also challenges regarding providing content to such sources, which clearly illustrates the need for further action research projects. In general, the guidelines described in Chapter 6 of this Report defer to national rules on the issue of how judges access information about other Member States or other state processes.

As noted at the beginning of this section, a set of guidelines specific to communication and coordination of cross-border insolvency and restructuring cases that includes the enhanced obligations set out in the EIR Recast is not yet available. However, a project to revise the CoCo Guidelines in line with the EIR Recast has been ongoing since the end of 2017 and a working group comprised of academics, judges, and practitioners belonging to both INSOL Europe and the Conference of European Restructuring and Insolvency Law (CERIL) are expected to complete this task.<sup>21</sup>

It is hoped that the specific dataset on case studies provided by the JCOERE project on its website will provide much needed examples to members of the judiciary of methods of co-operation. Additionally, information pertaining to the preventive restructuring processes in other jurisdictions is provided on our website.

#### *8.2.4 Judicial training requirements*

Within each focus group, discrepancies were observed in the responses to the questions posed on training requirements. Respondents were asked: ‘Before you qualified as a judge or administrative decision-maker, were you required to take specific training?’ This was an open question in which respondents were invited to write what the relevant training requirements were in their jurisdiction to become a judge in a comment box. The question did not specify “formal” training or educational prerequisites, so it is unsurprising that there was a range of interpretations, sometimes leading to conflicting responses. The variety of answers to this survey question, particularly from participants in the same jurisdiction, points more towards a non-uniform interpretation of the survey question itself rather than to actual differences in training.

The preliminary questions in the survey also queried whether judges in the three focus groups were required to undertake training to hear insolvency related cases. The overwhelming response was that such specialist training is generally not required. Of the 13 total respondents across the three focus groups who hear insolvency cases only, 1 from the Italian group indicated that they were also required to undertake specialist training. Our impression of responses, which varied within jurisdictions, is that the open-ended nature of the preliminary question regarding training also led to different responses. For example, 1 of the Italian respondents indicated the need for specialist training, but other Italian respondents

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<sup>21</sup> Under the stewardship of Tomáš Richter Of Counsel at Clifford Chance and Charles University Prague and Paul Omar, INSOL Europe.

replied that no such training was required. As these respondents also indicated that they hear only insolvency cases, it must be queried whether the training indicated by that one respondent is actually a requirement, or if it is optional but perhaps undertaken as a matter of practice. For example, the training requirement could also be determined by the particular court level or region. It is also possible that respondents who answered in the affirmative were doing so in light of insolvency-related training undertaken in the past as part of their role.

A further question asked whether there were requirements for Continuing Professional Development (CPD) if a judge specialised in insolvency law, which could be answered by providing some commentary on what was required. While over half of the respondents indicated some requirement for CPD, in many cases the answers did not correlate within the same jurisdictions. In addition, this question received responses that do not align with those who had to take training to decide insolvency cases in the first place or with the numbers who hear only insolvency cases. As was the case with the responses discussed above, it is possible that respondents interpreted *requirement* along the same lines as custom and practice; thus, while it may not be a requirement that CPD is undertaken, it may be that it is generally accepted practice that a judge would do so. It could also be that the respondents felt that this kind of training was required in the sense of its absence being problematic in some way.

Although it is difficult to draw reliable trends from the survey questions pertaining to training, the JCOERE Project has identified a number of key, and what may be perceived as significant differences between Member States in relation to the training and education required to become a judge. The JCOERE Questionnaire distributed and answered in connection with Report 1 of the JCOERE Project investigated training requirements for judges, to which 11 answers were received. These responses were discussed in detail in section 4.6 of Chapter 4 of this Report, which gives a clear picture of the training and education characteristics for the judiciaries in the relevant jurisdictions. While a number of similarities can be found in domestic requirements, for example a university (law) degree; experience of practice as a lawyer or a period of formal judge training; internships with courts or firms; exams; and certain character requirements, there are also a number of key differences that could impede judicial co-operation or interaction between the courts of Member States.

In common law countries, for example, it is not uncommon for the minimum period of legal practice prior to judicial appointment to be 7 years, particularly for the courts that deal with preventive restructuring matters. In Ireland, the requirement is 12 years' practice before an individual is eligible to be nominated as a judge of the High Court, which handles the vast majority of restructuring matters.<sup>22</sup> With that said, the majority of High Court and Supreme Court judges in Ireland have considerably more experience than the minimum requirement.

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<sup>22</sup> The Circuit Court has jurisdiction in relation to the examinership of small and medium enterprises, however the majority of examinership hearings are conducted in the High Court.

By contrast, other EU countries require a judicial internship after graduation lasting for 3<sup>23</sup> or 4<sup>24</sup> years or a judicial training course lasting 2 years.<sup>25</sup> Furthermore, in France judges of the local Commercial Courts are businesspeople elected to the role; this is an entirely different construct to the Irish or English Commercial Court or indeed most of the rest of the EU, wherein the usual – and clearly varied – practice requirements apply to judicial appointment. Therefore, even in these examples there are some substantial differences in types of experience required for judges, thus a legitimate question arises as to what effect these imbalances and may have on court-to-court co-operation.

### **8.3 Analysis of and Reflection on the Results**

The main purpose of the survey of the three judicial focus groups was to assess the awareness of current existing guidelines pertaining to communication and co-operation and to gauge experience with co-operation among the respondents. The promotion by the EU of judicial involvement in networks and training to encourage the development of a European judicial culture coincides with the importance of such networks for the dissemination of knowledge about resources to assist with the EU derived obligations to co-operate between the courts of different Member States. While the correlations are not necessarily present across the three focus groups, there is certainly a correlation between attendance at events, such as the INSOL Europe Judicial Forum, and awareness of such guidelines among the English Language survey participants. While knowledge of the guidelines will not impact judicial experience with co-operation on a case-by-case basis, it does point to the effectiveness of networks and training in raising awareness of the resources in co-operation and communication available to judges. In addition, it also seems clear that there is not a broad experience of co-operation in cross-border insolvency cases, which could potentially be attributed to the newness of the enhanced obligation to co-operate under the EIR Recast. That said, given the crisis looming for national economies at the time of writing due to the COVID-19 pandemic and associated limitations on business and industry, the potential for a growth in cross-border cases is significant over the next few years.

At the time of writing, the judiciary has also been forced to make a lot of serious changes in the way that they deal with hearings and cases as a result of the inability to hold such hearings in person due to limitations and lockdowns associated with the COVID-19 crisis of 2020. INSOL International conducted a webinar hosted by Judge Nicoleta Mirela Nastasie of the Bucharest Tribunal with Judge Martin Glenn of the Southern District of New York Bankruptcy Court and Judge Aedit Abdullah of the Singapore Bankruptcy Courts, during which the impact on the judiciary of the COVID-19 crisis, as well as the changes made to accommodate the need for social distancing, were discussed. While these reactions are not directly pertinent to co-operation, the experience itself has been eye-opening, in particular for some judges who may

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<sup>23</sup> Denmark.

<sup>24</sup> Austria.

<sup>25</sup> Romania.

be resistant to virtual options for a variety of reasons prior to these being necessitated by the crisis. Virtual tools not only make it easier for parties to access courts and each other, but may well enhance the possibility of co-operating in cross-border cases. Judge Aedit Abdullah acknowledged that the Singapore judiciary may have had to order equipment and even laptops to accommodate the needs of virtual courtrooms, but the fact is that judges have been able to do so despite some understandable reticence towards moving hearings on-line. As noted by Judge Martin Glenn: “Financial distress does not know geographical boundaries”. As companies continue to expand into global enterprises, the administration of justice must find a way to keep up, including the facilitation of co-operation between courts.

While it was also recognised that there are differences in the level of discretion that judges have in common law jurisdictions like the United States and Singapore to adopt new methods of administering justice, Judge Nastasie was absolutely clear that she did not believe that the civil law jurisdictions were especially different, particularly given the obligation to co-operate under the EIR Recast and the fact that some Member States have also adopted the UNCITRAL Model Law on Cross-Border Insolvency. While judges in all jurisdictions are constrained in how they operate under procedural rules, there is no reason why new methods, supporting co-operation and communication in cross-border insolvency, cannot be considered.

Given the potential increase in cross-border insolvency and restructuring cases following the economic crisis likely to be precipitated by the COVID-19 pandemic, which was ongoing at the time of writing this Report, but prior to the survey being distributed and answered, it is likely that there will be an increased need for co-operation, in order for the enhanced obligations set out in the EIR Recast to be met effectively. The current prevalence of virtual training and interactivity due to the inability to meet in person arising from current travel restrictions presents an opportunity to increase the reach of training in co-operation and the awareness of guidelines.