Forum for Asian Insolvency Reform

FAIR

17 – 18 September 2018

Making Progress in an Uncertain Global Economy

Anantara Siam Hotel

Bangkok, Thailand
Forum for Asian Insolvency Reform

Background

The Forum for Asian Insolvency Reform (FAIR) was established by the World Bank Group, INSOL International and other institutions, following the Asian Financial Crisis of the late 1990s. The objective of the meeting is to:

- Provide a platform for a high level dialogue between ministry officials and others involved in the development of insolvency, creditor rights and restructuring law and practice, including representatives of the World Bank Group and regional development organisations focusing on insolvency reform in the Asia Pacific region.
- Set up a forum for a coordinated approach by international bodies, countries and experts by sharing experience and knowledge.
- Elevate insolvency and restructuring reform on the Asian policy agenda.

Attendance is by invitation only. Places are strictly limited to facilitate meaningful discussion between policy makers, judges, regulators, practitioners and lenders from the many nations in the region.

Insolvency systems play a major role in modern market economy development. Strong insolvency systems contribute to the efficient use of resources and hence economic growth. They also help underpin investor confidence and financial stability and have been shown to have a major influence on inbound investment.

Notwithstanding impressive progress with reform in Asia, insolvency related issues remain a major concern for the region. The sheer volume of company debt overhang and the gap between insolvency rules and their practical implementation suggest that insolvency reform should remain at the top of the policy agenda. This is particularly so for the MSME sectors of economics for which few workable restructuring procedures have been developed.

This will be the 11th FAIR. The first meeting was convened in 2001 and this year’s meeting is in association with The World Bank Group. The themes of previous FAIR meetings have been varied, ranging from the role of the judiciary in domestic and cross-border insolvencies and facilitating court-to-court cooperation; to maximising the value of non-performing assets; and achieving effective and efficient insolvency regimes for small and medium enterprises. The focus, however, remains on developing insolvency and restructuring regimes across the Asia-Pacific region.

Asia is a vast region with diverse legal systems and practices. Some multilateral bodies are engaged in insolvency reforms in individual countries, and others are working for the benefit of the insolvency industry in the region. The knowledge, experience, and resources available within these global institutions and bodies can be optimised by way of a coordinated regional effort, aimed at addressing the needs of the economies of the nation states in the region.
FAIR 2018 Technical Programme
Monday 17th September

07:45 – 08:30  Registration and welcome tea and coffee

08:30 – 09:00  Welcome
Neil Cooper, Past President, INSOL International
Birgit Hansl, Program Leader, East Asia and Pacific Region, The World Bank Group

09:00 – 09:15  Welcome by the Ministry of Justice of Thailand
M.L. Panadda Diskul, Assistant Minister to His Excellency the Prime Minister

09:15 – 09:30  Progress in the context of Southeast Asia’s broader economic challenges and opportunities since the last FAIR, which took place in Thailand in 2009
Wisit Wisitsora-At, Permanent Secretary, Ministry of Justice of Thailand & Chairman of UNCITRAL Working Group on insolvency

09:30 – 10:45  Peer to Peer reports by delegations from Thailand, Malaysia and The Philippines.
Nor Azimah Abdul Aziz, Companies Commission, Malaysia
Dikki Jean y Sian, Bangko Sentral Ng Pilipinas, The Philippines
Ruenvadee Suwanmongkol, Legal Execution Department, Thailand

10:45 – 11:05  Coffee break

11:05 – 12:10  Peer to Peer reports continued by delegations from Indonesia, Myanmar, Vietnam and Lao PDR
Inthapangna Khieovongphachanh, Ministry of Finance, Lao PDR
Ministry of Law & Human Rights, Indonesia
Min Thant, Supreme Court, Myanmar

12:10 – 13:00  India – a report on the progress being made in the completion of the insolvency law and secondary legislation, the creation of the institutions required to administer it and the challenges of changing practices.
Moderator: Sumant Batra, Kessar Dass B & Associates
Justice M M Kumar, National Company Law Tribunal
Navrang Saini, Insolvency and Bankruptcy Board of India

13:00 – 14:15  Lunch

14:15 – 15:15  Application of UNCITRAL proposals in the region
A panel considers the Model Law on Cross Border Insolvency and the extent to which this is applicable to Asia or whether there is a better model and the applicability of the UNCITRAL recommendations on director’s responsibilities and groups of companies within the region.
Moderator: Christopher Redmond, Redmond Law Firm LLC, USA
Una Khng, Supreme Court of Singapore
Judge Auen Kunkeaw, The Supreme Court of Thailand
Chiyong Rim, Kim & Chang, Republic of Korea
15:15 – 15:45  
*Coffee break*

15:45 – 16:45  
**Asset Management Companies in Asia**
A panel will discuss the relative effectiveness of the different experiences of states with asset management companies.

Moderator: Patricia Rhee, Asian Development Bank  
Niyot Masavisut, Sukhumvit Asset Management (SAM), Thailand  
Hyung-soo Kim, Korean Asset Management Company

16.45 – 17:15  
**Delegate discussion on any matters arising on day 1**

**Tuesday 18th September**

08:10 – 08:40  
*Welcome tea and coffee*

08:40 – 08:45  
*Welcome back* and reflections on day 1

08:45 – 09:15  
**The insolvency of MSMEs**
Address by Fernando Dancausa, The World Bank Group

09:15 – 10:30  
**Development of systems of reorganisation of SMEs**
A panel describes the options under the insolvency laws of their jurisdiction for the reorganisation of small businesses.

Moderator: Niranjan Abeyratne, Commercial & Maritime Law Chambers, Sri Lanka  
Judge Juneyoung Chung, Seoul Bankruptcy Court, Republic of Korea  
Judge Dr Kanok Jullamon, The Supreme Court of Thailand  
Norhaslinda Salleh, Companies Commission of Malaysia

10:30 – 10:45  
*Coffee break*

10:45 – 12:00  
**Personal Insolvency – causes and relevant legislation**
As an extension of the above panel, this panel exploring the causes and availability of insolvency processes and other reliefs available to over-indebted individuals in their jurisdiction.

Moderator: Professor Charles Booth, University of Hawaii, USA  
Scott Barker, Buddle Findlay, New Zealand  
Phyllis Mckenna, Official Receiver, Hong Kong  
Professor Christopher Symes, University of Adelaide, Australia

12:00 – 13:30  
*Lunch*

13:30 - 14:50  
**Contract Enforcement and Secured Creditors rights**
A panel explores the methods used in balancing the rights of secured creditors to be paid out of their security with the need for workable reorganisation laws.

Moderator: Scott Atkins, Norton Rose Fulbright, Australia  
Patrick Ang, Rajah & Tann Asia, Singapore  
Amarjit Singh Chandhiok, Senior Advocate and former Additional Solicitor General of India  
Christopher J. Wohlert, Wells Fargo Bank, N.A, Hong Kong  
Judge Bingkun Ye, Xiamen Intermediate People’s Court, P.R. China
14:50 – 15:10  
*Coffee break*

15:10 – 16:30  
**Management of NPLs – the blight of bankers worldwide**
A panel of senior bankers will consider the various strategies for managing NPLs; the guidance available to the banking sector and the operation of work-out units.

Moderator: Dr José Garrido, International Monetary Fund
Alfredo Bello, AlixPartners, UK
Armstrong Chen Sheng, Shanghai Banking Law and Practice Centre, P.R. China
J.R. Smith, Hunton Andrews Kurth, USA

16:30 – 16:45  
**Delegate discussion on matters arising and future work of FAIR**

16:45 – 17:00  
**Conference concluding remarks**

17:00  
Conference close

19:00  
**Dinner hosted by the Ministry of Justice**

The Technical Programme may be subject to change.  
It is intended that all sessions will provide adequate opportunity for delegate contribution.
**Curriculum Vitae – Moderators/speakers**

**Nor Azimah Abdul Aziz, Companies Commission of Malaysia**

Nor Azimah joined the Companies Commission of Malaysia (*Suruhanjaya Syarikat Malaysia, SSM*) in 2003 and is currently the Deputy Chief Executive Officer (Regulatory & Enforcement). She oversees the Enforcement arm of SSM that comprised of Corporate Compliance, Investigation, Prosecution & Litigation as well as Regulatory Review and Legal Services Divisions. Prior to this post, she was the Director of Corporate Development & Policy Division and Director of Companies Commission of Malaysia Training Academy.

Nor Azimah obtained her law degree from ITM (UiTM) Shah Alam in 1991. Subsequent to admission as an Advocate and Solicitor of the High Court of Malaya in 1992, she began her career as a lawyer in a private legal firm. She then joined the National University of Malaysia, as a Law Lecturer at the Accounting Dept. Faculty of Business & Management. She acquired her LL.M in Business Law from the University of Aberystwyth, Wales in 1996. In 2000, she was seconded to the Technical and Regulatory Department of the Malaysian Institute of Accountants prior to joining SSM.

**Dr Niranjan Abeyratne, Commercial & Maritime Law Chambers, Sri Lanka**

Dr Niranjan Abeyratne is an Attorney at Law of the Supreme Court of Sri Lanka. He specialises in advocacy and advisory work in a wide range of commercial and corporate law matters.

He is a member of two Task Forces on Insolvency Law Reform and Enforcing Contracts appointed by Ministry of Development Strategy and International Trade in Sri Lanka.

From 1995 to 2008 he practiced as a Solicitor in the UK. He was first Head of the Legal Department at the ICC International Maritime Bureau from where he moved into practice in the City of London first with Solicitors Holmes Hardingham and thereafter with Lawrence Graham before moving to Sri Lanka in 2008.

Between 1993 and 2003 Niranjan was a visiting lecturer in Corporate Insolvency Law and International and Comparative and International Insolvency Law at University College London and a Visiting Fellow at Queen Mary College London.

**Patrick Ang, Rajah & Tann, Singapore**

Patrick Ang is the Deputy Managing Partner of Rajah & Tann Singapore, the largest law firms in Singapore. He is also the CEO of Rajah & Tann Asia, the largest network of law firms in Southeast Asia.

Patrick has over 25 years’ experience handling both contentious and transactional matters. His key area of expertise is in corporate restructuring and insolvency. Some of the major cases he has been involved as advisor to include Lehman Brothers Singapore, Nortel Networks Asia Pacific, China Aviation Oil, Swiber Holdings and Swissco Holdings.

Patrick has been ranked as a leading or Tier 1 lawyer in his field for many consecutive years by prominent publications such as Chambers Global, International Financial Law Review, Legal 500 Asia Pacific, Euromoney Guide, AsiaLaw Leading Lawyers and Asian Legal Business. He has also been identified as one of the world’s top 25 Thought Leaders for Restructuring and Insolvency by Who’s Who Legal in 2017 and 2018, being cited as having “truly outstanding” expertise.
Patrick is also an independent director of the Singapore Deposit Insurance Corporation, a statutory company that reports to the Monetary Authority of Singapore. He is also an independent director of a Singapore public listed company (in the construction and property development business) as well as sits on the governing boards of two schools in Singapore.

Scott Atkins, Fellow, INSOL International, Norton Rose Fulbright, Australia
Scott Atkins is Director-at-Large of INSOL International and a member of the Executive Committee. He is also an inaugural Fellow of INSOL and chairs its strategic review process, INSOL Taskforce 2021.

Scott is Deputy President of the Australian Restructuring Insolvency and Turnaround Association (ARITA), the peak restructuring and insolvency association in Australia. He chairs the Professional Conduct Committee of ARITA and in recognition of his sustained service, Scott was made a Fellow of ARITA in 2017. Scott is a Partner and Deputy Chairman of Norton Rose Fullbright Australia. He is the Head of Risk Advisory for the firm and a member of Norton Rose Fulbright’s Global Board. He is a recognised expert in corporate restructuring and insolvency, with a particular focus on cross-border insolvency.

Scott is currently engaged by the Asian Development Bank to draft new insolvency and restructuring laws for the Republic of the Union of Myanmar. He is a member of the World Bank’s Insolvency and Creditor/Debtor regimes taskforce focused on MSME insolvency law reform. In March 2018, Scott was inducted into the Australian Academy of Law.

Scott Barker, Buddle Findlay, New Zealand
Scott Barker is a partner at Buddle Findlay, solicitors in Wellington, New Zealand. He specialises in litigation and insolvency. His practice includes insolvency, banking, insurance and commercial litigation as well as fraud.

Scott's insolvency practice involves him acting for creditors, including banks and financial institutions, as well as insolvency practitioners. Scott has been involved in a wide range of both corporate and personal insolvency assignments. He is currently acting for the Reserve Bank of New Zealand, as insurance regulator, in relation to the application for liquidation of CBL Insurance Ltd (in interim liquidation).

He has appeared in the District and High Courts, Court of Appeal, Supreme Court and Privy Council.

He has presented at seminars and conferences on insolvency issues, including for INSOL International and RITANZ.

Scott was a co-convenor of the Joint Insolvency Committee of the New Zealand Law Society and Institute of Chartered Accountants, which provided detailed submissions on New Zealand's most recent insolvency law reform during the 2000s. Scott is also a co-author of the cross-border insolvency chapter in leading New Zealand insolvency text, Heath & Whale on Insolvency, one of the consulting editors of which is the Honourable Paul Heath QC.
**Sumant Batra, Kesar Dass B & Associates, India**

An insolvency lawyer of international repute, social commentator and thought leader, Sumant is a multi-faceted person with accomplishments in diverse spheres. A policy lawyer of global eminence, Sumant presently heads the insolvency practice of Kesar Dass B & Associates, India’s leading law firm.

A Professor of Practice designated by Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, he has held leadership positions in prestigious multi-lateral, global and national organisations. A Past President of INSOL International, Sumant is currently President of Society of Insolvency Practitioners of India, Chief Mentor of INSOL India; and Member of Advisory Committee of the Insolvency and Bankruptcy Board of India. Rated as India’s No. 1 insolvency lawyer by Legal 500 for many consecutive years, his contributions to reforms in Indian insolvency system are well recognised. He has recently been conferred many global awards – India - Insolvency Lawyer of the Year for two years in a row - 2017 and 2018 and; Insolvency Game Changer of the Year 2017 by renowned global entities.

He is the author of Corporate Insolvency – Law & Practice.

He is presently advisor in high profile insolvency cases.

As senior international consultant to the IMF, World Bank Group, OECD and other development institutions, he has worked extensively on policy matters in Africa, Eastern Europe, Middle East and South Asia.

A cultural champion, museum owner, collector and writer, Sumant Batra is the founder and architect of a number of innovative creative projects to promote Indian heritage, culture, art and literature. An avid collector, he is probably the largest collector of Indian cinema memorabilia, has set up Chitrashala, a private museum of Indian vintage graphic art and has curated a boutique hotel in the Himalayas out of his collection. He is the author of the bestselling coffee table book - The Indians. Foreworded by Cherie Blair, the book was released by Dr. Karan Singh.

**Alfredo Bello, AlixPartners, UK**

Alfredo brings 30 years of experience in the financial services sector. He particularly focuses on bank restructuring, banking crisis management, and analysis and modelling of banks and banking systems.

Alfredo has supported the International Monetary Fund (IMF), the World Bank, and banking authorities during some of the most significant emerging markets banking crises of the last 20 years, spanning all regions of the world. His experience includes the bottom-up financial, operational, and strategic restructuring of individual banks as well as top-down support to policy makers and regulators with broader financial sector challenges.

Relevant experience includes:

- Led the processes of financial diagnostic, modelling, stress testing, and scenario analysis of both banks and banking authorities (working with central banks, supervisors, and ministries of finance) with a truly global experience in over 50 countries spanning all regions, and both developed and emerging markets.
- Part of the IMF team reviewing the Spanish banking system at the peak of their crisis; has been leading our work as advisors to the recently created Slovenian ‘bad bank’, the Bulgarian authorities on the collapse of KTB, and the Ukrainian authorities on the nationalisation of PrivatBank.
• Further in the EU/CEE region, assisted the EBRD in restructuring Parex Bank in Latvia, and formed part of the IMF and World Bank teams in their Financial Sector Assessment Program (FSAP) reviews in Bulgaria, Kazakhstan, and Montenegro. Assisted in the creation of the Central Bank of Bosnia and Herzegovina, and extensively involved in this sub-region.
• Implemented and led analytic processes in emerging markets crisis countries, including Thailand, South Korea, Indonesia, and Argentina.
• Developed a financial simulation model that has been extensively used for dynamic and forward-looking evaluation of banks and banking systems.

Professor Charles Booth, University of Hawai‘i at Manoa, USA
Professor Booth (BA, Yale University, 1981, summa cum laude; JD, Harvard Law School, 1984, cum laude) is a Professor of Law at the William S. Richardson School of Law at the University of Hawai‘i and the Founding Director of the Institute of Asian-Pacific Business Law (IAPBL). He taught in the Faculty of Law at the University of Hong Kong from 1989 to 2005, where he also served as the Director of the Asian Institute of International Financial Law (AIIFL) from 2000-2005. He is also a Senior Advisor at Burford Capital.

Prof. Booth’s primary research interests are comparative and cross-border insolvency and commercial law, Hong Kong and Chinese insolvency law and reform, and the development of insolvency and commercial law infrastructures in Asia. He has authored/co-authored more than 70 publications, which have been published in 10 jurisdictions. He co-authored: A GLOBAL VIEW OF BUSINESS INSOLVENCY SYSTEMS (2010; forthcoming in Chinese for publication in mainland China); the HONG KONG CORPORATE INSOLVENCY MANUAL (4th ed, 2018; and the HONG KONG PERSONAL INSOLVENCY MANUAL (2nd ed, 2010; 3rd ed, forthcoming 2018).

Prof. Booth is a Fellow in the American College of Bankruptcy and a Founding Member of the International Insolvency Institute (III). He has served as a consultant on insolvency and commercial law reform and training projects for many international organizations, including the World Bank and the International Finance Corporation (IFC), the Asian Development Bank, the IMF, the EBRD, the OECD, the ABA-UNDP, the IDLO, the International Republican Institute, the Asian Business Law Institute (ABLI), and the III. He has contributed to law reform projects in China, Hong Kong, Laos, Mongolia, Vietnam, and Vanuatu, and in Europe and Asia generally. He co-authored a report for the EBRD evaluating its Legal Transition Programme; co-authored the Study on Alternatives for the Debt Restructuring of Enterprises in China, the Report on the Treatment of the Insolvency of Natural Persons, and the Comparative Survey of International Commercial Enforcement & Insolvency Practices for the World Bank; led the drafting efforts of corporate insolvency and cross-border insolvency laws enacted in Vanuatu; and assisted the Mongolian Judiciary with the drafting of an insolvency handbook. He is also a Co-Designer and Co-Director of the Professional Diploma in Insolvency Course (now in its 12th year) organized by the Hong Kong Institute of Certified Public Accountants. In 2016, he delivered the keynote on ASEAN Cross-Border Insolvency to ASEAN representatives in Bangkok and he served as the Senior Evaluation Expert for the IFC-World Bank Group and conducted a Mid-Term Review of the Vietnam Debt Resolution Program. He recently participated in Singapore in an IMF training workshop for policy-makers in Asia, and he is currently working with the IFC-World Bank Group on an insolvency law reform project in Laos and is serving on the Advisory and Steering Committees for the Asian Principles of Business Restructuring Project that is being organized by the III and the ABLI (out of Singapore).
Amarjit Singh Chandhiok, Supreme Court and High Courts of India, India
Amarjit Singh Chandhiok is a Senior Advocate (equivalent to Queen’s Counsel) practicing in the Supreme Court and High Courts in India. He is former Additional Solicitor General of India and former Principal Counsel, European Union Commission. He was President of the Delhi High Court Bar Association six times. Currently he is President of INSOL India and Council for Conflict Resolution – Maadhyam.

Apart from being an expert on civil laws, Amarjit is an expert on insolvency resolution, company and banking law. He has participated, made presentations and was a speaker in several national and international conferences and seminars. He is also recognised as a leading insolvency lawyer.

Until recently, he was a member of the Advisory Committee and chairperson of a working group under the Insolvency and Bankruptcy Board of India.

He has received many awards and recognitions, including two doctorate degrees (Honoris Causa).

Armstrong Chen, Shanghai Banking Law and Practice Centre, P.R. China
Armstrong Chen is very active in international arbitration and has extensive experience in this area. He is listed on the panel of arbitrators of Beijing Arbitration Commission (BAC), Shanghai International Arbitration Centre (SHIAC), South China International Economic and Trade Arbitration Commission (SCIA), China International Economic and Trade Arbitration Commission (CIETAC), China Maritime Arbitration Commission (CMAC), the ICC International Court of Arbitration (ICC) and Hong Kong International Arbitration Centre (HKIAC). He has ruled on over two hundred cases pertaining to finance, investment, international trade and shipbuilding industries.

Neil Cooper, Past President INSOL International
Mr. Neil Cooper has been a specialist in asset recovery and cross-border insolvency issues since early in his career, when he joined a major international accountancy firm and undertook cases in the UK, Africa, the Pacific Rim, North America, Australasia and continental Europe.

He was heavily involved in the formulation of the Model Law on Cross-border insolvency developed by the United Nations Commission for International Trade Law. He has assisted the World Bank developing insolvency principles and guidelines and is considered one of the world’s experts in cross-border insolvency.

Neil is past President of INSOL International, the worldwide association of insolvency, and Honorary Life President of INSOL Europe.

Judge June Young Chung, Seoul Bankruptcy Court, Republic of Korea
He is currently Chief Presiding Judge of Seoul Bankruptcy Court. He has been a judge since his first appointment in 1994. His areas of expertise are insolvency, intellectual property, construction law, and ADR. He holds law degrees from Seoul National University (LL.B, LLM), and was invited as a visiting scholar at UC Berkeley Law School (2002-2003). He worked as Judicial Adviser to the Legislation & Judiciary Committee of the National Assembly of Korea (2004), Presiding Judge in the Bankruptcy Division of Seoul Central District Court (2011-2012), Chief Judge of Bucheon Branch Court (2013), Presiding Judge of Patent Court (2014-2015), Presiding Judge of Seoul High Court (2016).

He has been involved in the Insolvency Law and practice in Korea for more than 20 years as a judge since he handled bankruptcy cases in the then Seoul District Court in 1996-98. At that time, he had dealt with many large business bankruptcy cases and initiated the first consumer bankruptcy case in Korean history. And then he came back to the Bankruptcy Division of Seoul Central District Court in 2011-12 and launched the expedited business reorganization program called “Fast-Track Business Rehabilitation Procedure.” He has been handling large business reorganization cases and cross-border insolvency cases as Chief Presiding Judge of Seoul Bankruptcy Court since 2017.

**Fernando Dancausa, The World Bank Group**

Fernando works on the Credit Infrastructure unit at the World Bank Group, which delivers technical assistance to governments on insolvency and debt resolution reforms. Fernando joined the World Bank Group in 2011, and is part of the global team at the Finance & Markets Global Practice, based in Washington DC.

Prior to joining the World Bank Group, he worked as a lawyer in Madrid and London at a Spanish law firm, primarily working on Corporate and Insolvency matters. During his time in private practice, he participated in a wide range of corporate transactions and restructurings, including out of court workouts, sale of businesses as a going concern and judicial reorganizations.

He is a graduate of Universidad Comillas (Madrid), where he received a law degree and a business degree. He also holds a LL.M. degree in International Business and Economic Law from Georgetown University Law Center (Washington DC).

Publications of Interest:
MODERNIZING COMMERCIAL LAW IN THE ARAB WORLD - Establishing a Regional Approach to Common Issues (June 2014)

**Dr José Garrido, International Monetary Fund**

José Garrido is a Senior Counsel at the Legal Department of the IMF, and is the supervisor of the insolvency and creditor rights working group. In his position, Mr. Garrido oversees insolvency and creditor rights reforms in Fund-supported programs, technical assistance and surveillance. Previously, he worked at the Legal Department of the World Bank, at the Insolvency Initiative, and he has also been a practicing lawyer at one of the largest law firms in Madrid, and the General Counsel and Director of the Legal and Enforcement departments at the Spanish Securities Commission.

José Garrido is also an academic (Professor at the University of Castilla-La Mancha, on special leave) and has been active in the European Union, as member of the High-Level Group of Company Law Experts and as member of the European Corporate Governance Forum. He has published extensively in the areas of insolvency, corporate law and securities regulation.
Birgit Hansl, Program Leader, East Asia and Pacific Region, The World Bank Group

Birgit Hansl, a German national, is the World Bank’s Lead Economist and Program Leader for Equitable Growth, Finance and Institutions for Brunei, Malaysia, Philippines and Thailand in the East Asia and the Pacific Region.

Since joining the Bank in 2005 through the Young Professionals Program, Birgit worked for the World Bank’s programs in Asia, Africa, and Europe. Before joining the Bank’s Manila-based team, she worked as the Moscow-based Lead Economist and Program Leader for Equitable Growth, Finance and Institutions for the Russian Federation in the Europe and Central Asia Region.

She is an experienced economist in the World Bank’s Macro-Fiscal Management Global Practice, with special interest in macroeconomic forecasting, public finance, institution building and macro-micro linkages.

Birgit worked in academics and for a number of bilateral and multilateral organizations, including the United Nations Development Program.

Birgit holds a Ph.D. in Economics and a Master’s Degree from the London School of Economics. She completed a Post-Doctoral Fellowship at the University of California San Francisco and Berkeley. Her first degree was a Masters’ in Economics from the Humboldt University Berlin.

Judge Dr Kanok Jullamon, The Supreme Court of Thailand

Dr. Jullamon has been working with Thailand Court of Justice for over 11 years. For the past 6 years, he has been attached to Bankruptcy Division of the Supreme Court of Thailand where he drafts and reviews court decisions and orders for justices in the areas of bankruptcy and business reorganization.

Dr. Jullamon received his LLB (First Class Honors) from Chulalongkorn University in 2002 and two LLM degrees from New York University in 2004 and the University of Chicago in 2005 with the scholarships of the Thai government. Then he went on to study for the Doctor of the Science of Law degree (J.S.D.) at University of Illinois and graduated in 2012 with the scholarship of the Court of Justice. Dr. Jullamon has written extensively in the areas of consumer, business, and international insolvency as well as foreign court and case managements both in Thai and English languages.

Inthapangna Khieovongphachanh, Ministry of Finance, Laos

I am a Director General of Legislation Department, Ministry of Justice. My department’s main function is to check the consistency of draft laws submitted by line ministries before sending to the Government for consideration. We also have function to draft new laws and make amendment to existing laws as assigned by the Minister of Justice. I am also assigned to be a member of the Committee for Amending the Law on Bankruptcy of Enterprises. This law was adopted by the National Assembly in 1994.

Una Khng, Supreme Court of Singapore, Singapore

Una is an Assistant Registrar in the Companies, Insolvency, Trust and Arbitration cluster of the Supreme Court Registry. She is also part of the Singapore International Commercial Court and the Court of Appeal Registries.
Una graduated from the University of Cambridge in 2005 with a First-Class Honours degree in law. She was named valedictorian of her Graduate Diploma in Singapore Law class at the National University of Singapore.

She commenced her career as a Justices’ Law Clerk with the Supreme Court and later joined the dispute resolution department of Drew & Napier LLC in January 2008. During her time with Drew & Napier LLC, she was involved in a broad range of work in the areas of international commercial arbitration and commercial litigation.

Una has taught at the law schools of the National University of Singapore and the Singapore Management University.

**Judge Auen Kunkeaw, The Supreme Court of Thailand**

Responsibilities:
- Research Justice in Bankruptcy Division, Thailand Supreme Court.
- Lecturer of Reorganization law, Civil Judgment Execution Law and Company Law at Institute of Legal Education Thai Bar Association
- Lecturer of Bankruptcy Law at Thammasat University.
- Member in the Committee of developing company and other enterprise law at The Council of State.
- Chairman of Committee of Consideration and modification of Thailand Cross Border Law at The Office of The Judiciary.

Books authored:
- Other 5 Handbooks.

**Niyot Masavisut, Sukhumvit Asset Management (SAM), Thailand**

**Work Experience**
- AT&T Telecommunication Products (Thai) Co., Ltd.
- Export-Import Bank of Thailand
- Central Credit Information Service Co., Ltd.
- Sukhumvit Asset Management Co., Ltd.

**Education**
- Bachelor of Science in Mechanical Engineering, Washington University in St. Louis
- MBA from Asian Institute of Technology (AIT)

**Training**
1. Wharton Executive Leadership Program by National Institute of Development Administration (NIDA)
2. Advanced Senior Executive Program (ASEP) by Sasin School of Management
3. Director Certification Program 107/2008 by Thai Institute of Directors Association: IOD
4. Advanced Certificate: Public Administration and Public Law by King Prajadhipok’s Institute
5. RE-CU CEO-Premium In Modern Real - Estate Business # 3 By Chulalongkorn University

**Christopher J. Redmond, Redmond Law Firm LLC., USA**

Christopher J. Redmond is the founder and principal at the Redmond Law Firm, LLC. His practice is focused on complex international litigation, asset tracing and recovery, and cross-border insolvency proceedings.
Christopher has been a delegate at UNCITRAL Working Group V (Insolvency) since 1999, first as a delegate for the American Bar Association and for the last eleven (11) years, as a member of the United States delegation. He continues to also serve as Chair of the ABA UNCITRAL Task Force.

Christopher has also served as a U.S. delegate to UNODC (United National Office of Drugs and Crimes), addressing issues of commercial fraud on a worldwide basis and coordination between the public and private sectors.

As a U.S. member of ICC FraudNet (ranked as a Band One International Group in Asset Recovery by Chambers), he is counsel in a number of international cases, including acting as counsel for the joint liquidators in the Stanford International Bank proceeding. He is an experienced trial counsel in both jury and civil trials including a number of Chapter 15 proceedings.

He has served as joint liquidator in the Isle of Man and the Channel Islands. He has served as a Panel Trustee in Kansas since 1978 and has handled over 12,000 insolvency cases, from consumer bases to business cases. He has also served as a Chapter 11 Trustee in a number of business cases and served as counsel for the official unsecured creditors committee in a number of billion dollar insolvency cases.

Christopher is a Fellow of the American College of Bankruptcy, a Fellow of the International Insolvency Institute, has been listed in Best Lawyers for over thirty (30) years and is also recognized by Who's Who Legal International as one of the top five (5) recovery lawyers in North America.

Chiyong Rim, Kim & Chang, Republic of Korea

Chiyong Rim, a former judge, Bankruptcy Division, Seoul Central District Court, is an attorney at Kim & Chang. He practices in a wide range of insolvency and restructuring areas, with a focus on corporate liquidation, mergers and acquisitions in reorganization proceedings, and cross-border insolvency cases.

Throughout his career, Mr. Rim has been actively involved in many high-profile reorganization cases relating to debtors in Korean businesses including banking, construction and other sectors. Mr. Rim represents private equity funds, corporate clients, and both foreign and domestic financial institutions on various reorganization proceedings. Mr. Rim also has extensive experience advising clients on issues relating to personal bankruptcy, corporate liquidation, corporate reorganization and workout proceedings, and has utilized this experience to write books on the topic in Korean and English. He has not only authored much literature but also spoken extensively on such issues in a number of international forums such as the IBA, INSOL and International Insolvency Institute. Chambers & Partners in 2014 praised him by stating that “he was noted among peers for his many years” of experience in the field of restructuring and insolvency and cited him as a veteran bankruptcy lawyer.

Prior to joining Kim & Chang, Mr. Rim was at Bae, Kim & Lee for seven years. Mr. Rim also worked at Public Fund Management Committee, covering privatization of banks and auditing the management of public funds. Mr. Rim was a chairperson of the Insolvency Law Review Committee of the Department of Justice amending Debtors Rehabilitation and Bankruptcy Act. He also served as a member of Judiciary Personnel Committee and as a member of Rehabilitation and Bankruptcy Committee in the Supreme Court of Korea. He has co-authored various publications in English, including “The International Insolvency Review: Korea chapter” (Law Business Research), “Cross-Border Insolvency: Korea chapter” (Globe Law and Business), “Collier’s International Business Insolvency Guide:
Korea Chapter” (LexisNexis), “Korean Insolvency System, Norton Annual Survey of Bankruptcy Law 2003” (Thomson West) and “Insolvency Law Reform of Korea: Forum for Asian Insolvency Reform” (OECD). He has published three volumes of “The Study of Bankruptcy Research.”

In recognition of academic excellence for his article entitled “The Study of Hague Service Convention,” Mr. Rim received “The Best Legal Article Award” by the Korea Legal Center in 2000. He has also been listed as a leading lawyer for restructuring and insolvency law in Legal 500, Chambers and Partners, IFLR 1000, and Who's Who Legal and has been recognized in Chambers Asia Pacific as a “Band 1” lawyer. He was awarded a prize by the KBA. He also received a prize from the Ministry of Justice for his dedication to revising the bankruptcy law in 2016. Mr. Rim received an LL.M. from Duke University School of Law in 1996. He testified as an expert witness in the UK in 2011, 2017 and was placed on a secondment to Addleshaw Goddard LLP in London for three months in 2014.

Patricia Rhee, Asian Development Bank
Ms. Rhee is Senior Counsel, Office of the General Counsel, Asian Development Bank. She has more than 15 years’ experience as an international banking and finance lawyer in the private sector and at international financial institutions.

Ms. Rhee has acted as counsel for over 40 infrastructure and investment projects in energy, transport and urban sectors, principally in the Southeast Asia, East Asia and Central West Asia regions. Prior to joining the ADB, Ms. Rhee was Vice President, European Leveraged Finance and Loans at Barclays Capital, London, United Kingdom and advised on complex, cross border Leveraged and Acquisition Finance transactions, Work-Outs and Restructurings in the United Kingdom and Europe. She has also worked at international law firms Ashurst LLP in the United Kingdom and Allens Linklaters in Australia specialising in Corporate law and International Banking and Finance. Ms. Rhee holds a double Bachelor of Commerce (Accounting) and Bachelor of Laws (LLB) from the University of New South Wales, Australia.

Dr. Navrang Saini, Insolvency and Bankruptcy Board of India
Dr. Navrang Saini took charge as Whole Time Member, Insolvency and Bankruptcy Board of India in New Delhi on 31st March, 2017.

He has post-graduation degrees in Management and Law along with PHD in Corporate Law and professional qualification as a Company Secretary.
Dr. Navrang Saini has served the Ministry of Corporate Affairs in various capacities. His last assignment was as Director General (in the rank of Additional Secretary) at the Ministry. He also served as a Commissioned Officer in Territorial Army from July 1985 to March 2011 and superannuated as Lt. Colonel.

During his tenure as Registrar of Companies, Delhi and Haryana, Dr. Navrang Saini implemented the first mission mode egovernance project of the country ‘MCA21’ as a major pilot project.

He is a keen mountaineer, trekker and sky-diver.

Dr. Navrang Saini is presently looking after Registration & Monitoring wing comprising Insolvency Professionals, Information Utilities, Insolvency Professional Agencies & Entities, Valuers, Surveillance, Investigation and Grievance Redressal.
Dr. Navrang Saini is also a member of the Appellate Authority established by the Central Government in accordance with the powers conferred under section 22A of the Chartered Accountants Act, 1949, the Cost and Works Accountants Act, 1959 and the Company Secretaries Act, 1980 w.e.f. 3rd November 2015.

Norhaslinda Salleh, Companies Commission of Malaysia
Norhaslinda Salleh joined the Companies Commission of Malaysia (SSM) in January 2004. Currently she is the Head of Insolvency in the Registration Services Division, since 1 June 2015. She is responsible to ensure and monitor the process of striking off names, winding up, management of asset of dissolved companies and limited liability partnerships are in accordance with the related Acts and Guidelines. She is also responsible in the process and procedure relating to the Corporate Rescue Mechanisms (Judicial Management & Corporate Voluntary Arrangement) of companies.

Prior to heading the Insolvency Section, she was the Head of Corporate Planning of the Corporate Planning & Policy Division of SSM (2011-2015) where she was responsible for the strategic planning and project management of SSM and also the Head of Law Reform, Policy & International Affairs of the same Division (2004-2015), where she was largely involved in activities relating to the reform of the law and drafting amendments of the legislations administered by SSM, policy guidelines and practice notes.

Norhaslinda Salleh obtained her LL.B (Honours) from the University Technology Mara (UiTM), Malaysia in 1991. She was called to the Malaysian Bar and was admitted as an Advocate & Solicitor of the High Court of Malaya on 22 May 1992. Prior to joining SSM in January 2004, Norhaslinda Salleh was in private legal practice where she was largely responsible in handling civil and commercial litigations.

Dikki Jean Yu Sian, Bangko Sentral ng Pilipinas, The Philippines
Dikki Jean Yu Sian is a Legal Officer at the Office of the General Counsel and Legal Services of the Bangko Sentral ng Pilipinas (“BSP”), the independent central monetary authority of the Philippines. Ms. Sian joined BSP in September 2016. Prior to her employment with BSP, she was an associate at one of the largest and premier law firms in the country, Angara Abello Concepcion Regala and Cruz Law Offices (“ACCRALAW”), she also worked as an associate at a premier private firm, Salvador, Llanillo & Bernardo, Attorneys-at-Law, and among the law firms’ services are to assist and provide legal, tax, labor and employment advisory services in the rehabilitation of insolvent corporations. She also specialized in handling Tax Advisory and Litigation, Tax Compliance Check of corporations including certain banking institutions, Corporate Services, Special Projects Transactions, Banking and Financial Securities, Immigration and Intellectual Property.

Ms. Sian earned her juris doctor degree with second honors from the Ateneo de Manila University School Law. She was admitted to the practice of law in 2012 after passing the Philippine Bar Examination. She obtained her degree in Bachelor of Science in Commerce major in Legal Management from De La Salle University – Manila.

Ruenvadee Suwanmongkol, Ministry of Justice, Thailand
Miss Ruenvadee Suwanmongkol has been the Director-General of the Legal Execution Department (LED), Ministry of Justice, Thailand, since July 17, 2014. She was appointed as a member of Sub-Committee of the National Legislative Assembly considering the Bankruptcy Act (No. 8) 2015, Business Security Act 2015, the Act Amending the Civil Procedure Code (No. 29) 2015, the Bankruptcy Act (No. 9) 2016 (Reorganization of
She has also been appointed by the Prime Minister Office’s Order the chairperson of the Study and Drafting Committee on Business Security Act. Recently, she was elected as a member of the Board of the International Union of Judicial Officers (UIHJ) 2018-2021.

Before joining the LED, she was the Director-General of the Probation, Inspector, Deputy Director-General of the Office of Justice Affairs, Deputy Director-General of the Rights and Liberties Protection Department, Director of the Legal Affairs Bureau, and Law Specialist. She had worked at the Office of the Securities and Exchange Commission (SEC), Thailand during 1992 – 2004.


Min Thant, Union Supreme Court, Republic of the Union of Myanmar

Mr. Min Thant is an Assistant Director of the Branch Office of the Legal Vetting under the Law and Procedure Department of the Union Supreme Court.

I was born in 1969 and received an LLB degree in 1994 from Yangon University. Before joining to the judicial service in 2001, I practiced as a lawyer for about 7 years and obtained Advocateship in 2001 February.

After joining to the judicial service in 2001 July, I worked as a Deputy Township Judge for about one year, as a Deputy Staff Officer for about 8 years, as an Additional Township Judge for about 2 years, and as a Township Judge for about 4 years and have been in my current position as an Assistant Director for over two years.

I had studied in Seoul National University in South Korea in 2009, and graduated LL.M in Intellectual Property Law in 2011. Since 2014, I have been working as a Working Group Member of the Office of Union Supreme Court’s Program for Establishing Effective IP Trial System in Myanmar with the support of JICA, and also as an Insolvency Working Group Member of the Office of Union Supreme Court’s Program for drafting Myanmar Insolvency Bill with the support of Asian Development Bank (ADB).

Christopher J. Wohlert, Wells Fargo Bank, N.A, Hong Kong

Chris Wohlert is the Business Leader for the Commercial Distribution Finance platform in Asia for Wells Fargo. In this role, he leads the inventory financing and cross-border factoring business serving multinational manufacturers across a variety of industries in coordination with the Commercial Distribution Finance platforms in Wells Fargo globally. Mr. Wohlert has over twenty years of experience in the fields of commercial lending, inventory finance and factoring where he has managed and structured global financing programs across North America, South America, Europe, Middle East/Africa and Asia Pacific. He has spent twenty years at Wells Fargo Commercial Distribution Finance and its predecessor companies in roles of increasing responsibility in the areas of portfolio management, special assets, business development and leadership.

Mr. Wohlert is also an active member of the Asia Pacific Financial Forum, part of the APEC Finance Minister’s Process, where he serves as the leader for secured transaction reform for the Financial Infrastructure Development Network, launched in November 2015 as part of the Cebu Action Plan.
Wisit Wisitsora-at, Permanent Secretary, Ministry of Justice, Thailand
Wisit Wisitsora-at hold a Bachelor of Law (Hons), from Thammasart University, then he qualified as a Thai Barrister at Law. Additionally, he earned second bachelor’s degree of Law (Hons), from University of Wales at Aberystwyth, and also qualified as a Barrister at Law of Gray’s Inn, United Kingdom.

Wisit Wisitsora-at started his career at the Legal officer of Legal Execution Department, then became the judge. He has extensive experience of Legal so his position is in the area of legal, such as Executive Director-General Legal Execution Department, Director-General office of Justice Affairs, Chairman of UNCITRAL, Chairman of Intergovernmental group of experts on lessons learnt from United Nations Congresses on Crime Prevention and Criminal Justice and Many others.

He is a member Council of state, Thai Arbitration Institute Committee, State Attorney Commission, Electronic Transaction Commission, Thai ASEAN Law Association, General Insurance Fund Board and Debt Collection Law Reform Committee.

Wisit Wisitsora-at currently holds the position of Permanent Secretary Ministry of Justice and Chairman of UNCITRAL intergovernmental committee on Insolvency Law, Head of Thai Senior Legal Officials for ASEAN (ASLOM).

Judge Bingkun Ye, Xiamen Intermediate People’s Court, P.R. China
Judge Ye was called to the bench at 1999, handled international commercial disputes in the subsequent 5 years. Having been dealt with bankruptcy issues for more than a decade and settled numerous famous corporate reorganisations, now he sits as senior judge and the head of the 6th Civil (Bankruptcy & Financial) Division of the court, the member of the Judge and Procurator Selecting Committee of Fujian Province. He is generally reputed as one of the most leading bankruptcy judges in China presently, esp. on Corporate Rescues and Cross-border Insolvency. Judge Ye got his first honor law degree in the China University of Politics and Law(CUPL). After his postgraduate study on International Economic Law in Xiamen University, he was awarded the second L.L.M. with Distinction on International Commercial Law by the University of Leicester, in 2004. Now he is research fellow in also CUPL and Renmin University. For the excellence in his judicial career, Judge Ye has been titled the National Outstanding Judge in 2010, the National Judicial Expert in 2011, and the National Exemplary Judge in 2016, by the Supreme People’s Court of China.
INSOL International is a world-wide association of national associations of accountants and lawyers who specialise in turnaround and insolvency. There are currently over 40 Member Associations with over 10,500 professionals participating as members of INSOL International. Individuals who are not members of a member association join as individual members.

INSOL also has ancillary groups that represent the judiciary, regulators, lenders and academics. These groups play an invaluable role within INSOL and provide valuable forums for discussions of mutual problems.

INSOL was formed in 1982 and has grown in stature to become the leading insolvency association in the world. It is a valuable source of professional knowledge, which is being put to use around the world on diverse projects to the benefit of the business and financial communities.

**INSOL’S Mission**

**INSOL with its Member Associations will take the leadership role in international turnaround, insolvency and related credit issues; facilitate the exchange of information and ideas; encourage greater international co-operation and communication amongst the insolvency profession, credit community and related constituencies.**

**Our Goals:**

- To work with and involve our Member Associations in our activities
- To implement research into international and comparative turnaround and insolvency issues
- To participate in Government, NGO and intergovernmental advisory groups and to liaise with these institutions on relevant issues
- To assist in developing cross-border insolvency policies, international codes and best practice guidelines
- To provide a leadership role in international educational matters relating to turnaround and insolvency topics
- To facilitate the exchange of knowledge amongst our Member Associations through our conferences and publications
The Group of Thirty-Six features some of the most prominent and influential firms within the insolvency and turnaround profession. The aim of the Group of Thirty-Six is to work with INSOL to develop best practice guidelines and develop legislation to enhance the ability of practitioners globally to save businesses throughout the world.

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Malaysian Institute of Accountants
Malaysian Institute of Certified Public Accountants
National Association of Federal Equity Receivers
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Recovery and Insolvency Specialists Association (Cayman) Limited
Recovery and Insolvency Specialists Association of Bermuda
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Restructuring Insolvency & Turnaround Association of New Zealand
Russian Union of Self-Regulated Organisations of Arbitration Managers (RUSROAM)
Society of Insolvency Practitioners of India
South African Restructuring and Insolvency Practitioners Association
Turnaround Management Association (INSOL Special Interest Group)
Turnaround Management Association do Brasil (TMA Brasil)
PRINCIPLES FOR EFFECTIVE INSOLVENCY AND CREDITOR/DEBTOR REGIMES
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Foreword

Well-designed legal and regulatory frameworks with respect to insolvency and creditor/debtor rights (ICR) facilitate the extension of credit and enable private sector development. The availability of credit is a key driver of economic activity, innovation and growth. By providing for the restructuring and preservation of distressed yet viable businesses, and providing, alternatively, for the orderly resolution of distressed, non-viable businesses, insolvency laws offer predictability and enhance investor confidence. Overall, the transparency and efficiency of ICR systems have a direct impact on the allocation of credit risk and risk management in the financial sector, and consequently also influence access to credit and its cost.

The World Bank’s Principles for Effective Insolvency and Creditor/Debtor Rights Systems (the Principles) sets out a range of benchmarks, based on international best practice, for evaluating the effectiveness of domestic ICR systems. The Principles offer a framework for analyzing core commercial laws and regulations on topics such as the registration and enforcement of security rights, credit information systems, insolvency procedure, and the roles of relevant judicial decision-makers and supervisory bodies. This analysis has typically been conducted in the context of the Reports on the Observance of Standards and Codes, which form part of the joint International Monetary Fund-World Bank Standards and Codes Initiative. Importantly, the Principles are flexible in that they may be applied across a spectrum of legal systems, irrespective of a country’s specific legal heritage, or the origin of its legal and regulatory frameworks in a particular family of legal systems.

The Legal Vice Presidency of the World Bank is very pleased to have played a key role in developing the Principles. In 1999, during the aftermath of the Asian financial crisis, the international community mandated the World Bank to identify internationally-recognized best practices in the design of ICR systems. The Principles were prepared by a task force and working groups comprised of more than 70 international experts, led by the Legal Vice Presidency, and in collaboration with a number of multilateral development banks, international organizations and expert industry bodies. The Principles were subsequently discussed in a series of regional roundtables, involving officials and experts from roughly 75 countries. Since 2001, the Principles have been applied in the World Bank’s assessment of country systems and provision of technical assistance. Over time, in light of the World Bank’s experience, and as a result of ongoing consultation with client countries, international experts and partner organizations, the Principles have been periodically refined and updated to reflect evolving best practice, and also to account for lessons learned, including from the 2008 global financial crisis. In 2015, the stewardship of the Principles was transferred to the World Bank Group Finance & Markets Global Practice, and the Principles were further updated to address emerging issues in international finance.

The development and revision of the Principles since 2001 has been a collective undertaking. It is my pleasure to thank current and former Legal Vice Presidency staff, including Vijay Tata, Gordon Johnson, Mahesh Uttamchandani, José Garrido, Riz Mokal, Irit Ronen Mevorach, Adolfo Rouillon, Nagavalli Annamalai, José Ignacio Tirado, Pauline Crane, Francesca Daverio and Yesha Yadav, for their hard work in helping to generate, review and revise the Principles over the years. I would also like to thank our various partner organizations, in particular the International Monetary Fund and the United Nations Commission on International Trade Law, for their tremendous efforts, collaboration and support.

Anne-Marie Leroy
Senior Vice President and General Counsel, World Bank Group
Foreword

Greater access to finance for firms and individuals plays a critical role in promoting inclusive development. If finance is the circulatory system of an economy, credit is the lifeblood that flows through that circulatory system, ensuring that businesses can innovate, develop, and grow. Indeed, businesses that have greater access to finance are more likely to retain and hire employees. The ICR Principles support a sound insolvency and creditor/debtor rights (ICR) framework, which is crucial to promoting access to finance because it provides a predictable, transparent, and efficient framework to resolve debts in the context of business distress or failure. As part of a country’s broader credit infrastructure, ICR systems – together with legal and regulatory frameworks for secured transactions over moveable collateral and credit information – reduce information asymmetries and allow lenders to accurately price risk. This results in a greater abundance of credit, available at lower costs. In a world where businesses in 71 percent of countries report access to finance as their biggest constraint to growth and where the global credit gap is in excess of US $2 trillion, this is crucial for development.

At the same time, access to credit has to be considered in the context of the overwhelming need for macro-financial stability. In the wake of the global financial crisis, the international community has a renewed interest in ensuring that financial systems remain as sound and resilient as possible. In fact, the ICR Principles initially resulted from a request from the international community following the financial crises of the late 1990s. The Financial Stability Board and its predecessor entities recognized the importance of sound ICR systems and included this as one of their 14 “Key Standards for Sound Financial Systems”. The ICR Standard comprises the Principles, together with the UNCITRAL Legislative Guide on Insolvency Law. The Principles also form the basis on which the ICR Report on the Observance of Standards and Codes (ICR ROSC), part of the WB/IMF Standards and Codes Program, is carried out. The ICR ROSC provides countries with a detailed benchmarking of their ICR systems and is often conducted alongside the broader Financial Sector Assessment Program (FSAP). Since the development of the ICR Principles in 2001, 79 ROSCs have been conducted and the Principles have been amended on several occasions, most recently in May 2015. Through our Insolvency and Debt Resolution Technical Assistance program, we have helped over 75 countries, in every region of the world, improve their ICR systems.

I would like to express my sincere thanks to the World Bank Group’s ICR Task Force, under the chairmanship of Mahesh Uttamchandani, for their continuing work in ensuring that the ICR Principles evolve in a manner that allows them to respond to the ever-changing world of finance. I would also like to thank our many partners in this endeavor, including UNCITRAL; International Association of Insolvency Regulators; European Bank for Reconstruction and Development; International Association of Restructuring, Insolvency & Bankruptcy Professionals; and the many policy-makers, professionals, and academics who generously donated their time and knowledge to the development and maintenance of the ICR Principles.

Gloria Grandolini
Senior Director, Finance and Markets Global Practice
INTRODUCTION

Effective creditor/debtor rights and insolvency systems are an important element of financial system stability. The World Bank Group accordingly has been working with partner organizations to develop principles for insolvency and creditor/debtor rights systems. The Principles for Effective Insolvency and Creditor/Debtor Regimes (the Principles) are a distillation of international best practice on design aspects of these systems, emphasizing contextual, integrated solutions and the policy choices involved in developing those solutions.

The Principles were originally developed in 2001 in response to a request from the international community in the wake of the financial crises in emerging markets in the late 90s. At the time, there were no internationally recognized benchmarks or standards to evaluate the effectiveness of domestic creditor/debtor rights and insolvency systems. The World Bank’s initiative began in 1999 with the constitution of an ad hoc committee of partner organizations and the assistance of leading international experts who participated in the World Bank’s Task Force and Working Groups. The Principles themselves were vetted in a series of five regional conferences, involving officials and experts from some 75 countries, and drafts were placed on the World Bank’s website for public comment. The Bank’s Board of Directors approved the Principles in 2001 for use in connection with the joint IMF-World Bank program to develop Reports on the Observance of Standards and Codes (ROSC), subject to reviewing the experience and updating the Principles as needed.

From 2001 to 2004, the Principles were used to assess country systems under the ROSC and Financial Sector Assessment Program (FSAP) in some 24 countries in all regions of the world. Assessments using the Principles have been instrumental to the Bank’s developmental and operational work and in providing assistance to member countries. These assessments have yielded a wealth of experience and enabled the Bank to test the sufficiency of the Principles as a flexible benchmark in a wide range of country systems. In taking stock of that experience, the Bank has consulted a wide range of interested parties at the national and international level, including officials, civil society, business and financial sectors, investors, professional groups, and others.

In 2003, the World Bank convened the Global Forum on Insolvency Risk Management (FIRM) to discuss the experience with and lessons from the application of the Principles in the assessment program. The forum convened over 200 experts from 31 countries to discuss the lessons from this application and to discuss further

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refinements to the Principles themselves. During 2003 and 2004, the Bank also convened three working group sessions of the Global Judges Forum, involving judges from approximately 70 countries who assisted the Bank in its review of the institutional framework principles and developed more detailed recommendations for strengthening court practices for commercial enforcement and insolvency proceedings. Other regional fora have also provided a means for sharing experience and obtaining feedback in areas addressed by the Principles, including the Forum on Asian Insolvency Reform (FAIR) from 2002 to 2004 (organized by OECD and co-sponsored with the Bank and the Asian Development Bank), and the Forum on Insolvency in Latin America (FILA) in 2004, organized by the Bank.

In the area of the insolvency law framework and creditor/debtor regimes, Bank staff has continued their participation in the UNCITRAL working groups on insolvency law and security interests and have liaised with UNCITRAL staff and experts to ensure consistency between the Bank’s Principles and the UNCITRAL Legislative Guide on Insolvency Law. The Bank has also benefited from an ongoing collaboration with the International Association of Insolvency Regulators (IAIR) to survey the regulatory practices of IAIR member countries and develop recommendations for strengthening regulatory capacity and frameworks for insolvency systems. A similar collaboration with INSOL International has provided feedback and input in the areas of director and officer liability and informal workout systems.

Based on the experience gained from the use of the Principles, and following extensive consultations, the publication has been thoroughly reviewed and updated in 2005, 2011 and 2015. The revised Principles contained in this document have benefited from wide consultation and, more importantly, from the practical experience of using them in the context of the Bank’s assessment and operational work.

The Principles have been designed as a broad-spectrum assessment tool to assist countries in their efforts to evaluate and improve core aspects of their commercial law systems that are fundamental to a sound investment climate, and to promote commerce and economic growth. Efficient, reliable, and transparent creditor/debtor regimes and insolvency systems are of key importance for the reallocation of productive resources in the corporate sector, for investor confidence, and for forward-looking corporate restructuring. These systems also play a pivotal role in times of crisis to enable a country and stakeholders to promptly respond to and resolve matters of corporate financial distress on systemic scales.

National systems depend on a range of structural, institutional, social, and human foundations to make a modern market economy work. There are as many combinations of these variables as there are countries, though regional similarities have created common customs and legal traditions. The Principles have been designed to be sufficiently flexible to apply as a benchmark to all country systems and to embody several fundamentally important propositions. First, effective systems respond to national needs and problems. As such, these systems must be rooted in the country’s broader cultural, economic, legal, and social context. Second, transparency,
accountability, and predictability are fundamental to sound credit relationships. Capital and credit, in their myriad forms, are the lifeblood of modern commerce. Investment and the availability of credit are predicated on both perceptions of risk and the reality of risks. Competition in credit delivery is handicapped by lack of access to accurate information on credit risk and by unpredictable legal mechanisms for debt enforcement, recovery, and restructuring. Third, legal and institutional mechanisms must align incentives and disincentives across a broad spectrum of market-based systems—commercial, corporate, financial, and social. This calls for an integrated approach to reform, taking into account a wide range of laws and policies in the design of creditor/debtor regimes and insolvency systems.

The Principles emphasize contextual, integrated solutions and the policy choices involved in developing those solutions. The Principles are a distillation of international best practice in the design of insolvency systems and creditor/debtor regimes. Adapting international best practices to the realities of countries requires an understanding of the market environments in which these systems operate. This is particularly apparent in the context of developing countries, where common challenges include weak or unclear social protection mechanisms, weak financial institutions and capital markets, ineffective corporate governance and uncompetitive businesses, ineffective and weak laws, institutions and regulation, and a shortage of capacity and resources. These obstacles pose enormous challenges to the adoption of systems that address the needs of developing countries while keeping pace with global trends and good practices. The application of the Principles at the country level will be influenced by domestic policy choices and by the comparative strengths (or weaknesses) of applicable laws, institutions and regulations, as well as by capacity and resources.

The Principles highlight the relationship between the cost and flow of credit (including secured credit) and the laws and institutions that recognize and enforce credit agreements (Part A). The Principles also outline key features and policy choices relating to the legal framework for risk management and informal corporate workout systems (Part B), formal commercial insolvency law frameworks (Part C), and the implementation of these systems through sound institutional and regulatory frameworks (Part D).

The Principles have broader application beyond corporate insolvency regimes and creditor rights. The ability of financial institutions to adopt effective credit risk management practices to resolve or liquidate non-performing loans depends on having reliable and predictable legal mechanisms that provide a means for more accurately pricing recovery and enforcement costs. Where non-performing assets or other factors jeopardize the viability of a bank, or where economic conditions create systemic crises, creditor/debtor regimes and insolvency systems are particularly important to enable a country and stakeholders to respond promptly. These conditions raise issues that may require supplemental enhancement measures to address the needs of the crisis.
Countries must adapt and evolve to maximize their own advantages for commerce and to attract investment by adopting laws and systems that create strong and attractive investment climates.

The Principles are designed to be flexible in their application and do not offer detailed prescriptions for national systems. The Principles embrace practices that have been widely recognized and accepted as good practices internationally. As markets evolve and competition increases globally, countries must adapt and evolve to maximize their own advantages for commerce and to attract investment by adopting laws and systems that create strong and attractive investment climates. Increasingly, businesses have become global in nature and business failures or insolvencies have had international implications, which also bring into context the importance of adopting modern practices that accommodate international business. As legal systems and business and commerce are evolutionary in nature, so too are the Principles, and we anticipate that these will continue to be reviewed going forward to take account of significant changes and developments.
Executive Summary

Following is a brief summary of the key elements in the Principles.

Credit Environment

- **Compatible credit and enforcement systems.** A regularized system of credit should be supported by mechanisms that provide efficient, transparent, and reliable methods for recovering debt, including the seizure and sale of immovable and movable assets and sale or collection of intangible assets, such as debt owed to the debtor by third parties. An efficient system for enforcing debt claims is crucial to a functioning credit system, especially for unsecured credit. A creditor’s ability to take possession of a debtor’s property and to sell it to satisfy the debt is the simplest, most effective means of ensuring prompt payment. It is far more effective than the threat of an insolvency proceeding, which often requires a level of proof and a prospect of procedural delay that in all but extreme cases make the threat not credible to debtors as leverage for payment.

While much credit is unsecured and requires an effective enforcement system, an effective system for secured rights is especially important in developing countries. Secured credit plays an important role in industrial countries, notwithstanding the range of sources and types of financing available through both debt and equity markets. In some cases, equity markets can provide cheaper and more attractive financing. But developing countries offer fewer options, and equity markets are typically less mature than debt markets. As a result, most financing is in the form of debt. In markets with fewer options and higher risks, lenders routinely require security to reduce the risk of nonperformance and insolvency.

- **Collateral systems.** One of the pillars of a modern credit-based economy is the ability to own and freely transfer ownership interests in property, and to grant security rights to credit providers as a means of gaining access to credit at more affordable prices. Secured transactions play an enormously important role in a well-functioning market economy. Laws governing secured credit mitigate lenders’ risks of default and thereby increase the flow of capital and facilitate low-cost financing. Discrepancies and uncertainties in the legal framework governing security rights are the main reasons for the high costs and unavailability of credit, especially in developing countries.

The legal framework for secured lending should address the fundamental features and elements for the creation, recognition, and enforcement of security rights in all types of assets—movable and immovable, tangible and intangible—
The law should encompass any or all of a debtor’s obligations to a creditor, present or future, and debt obligations between all types of persons. Including inventories, receivables, proceeds, and future property and, on a global basis, including both possessory and non-possessory rights. The law should encompass any or all of a debtor’s obligations to a creditor, present or future, and debt obligations between all types of persons. In addition, it should allow effective notice and registration rules to be adapted to all types of property, and should provide clear rules of priority on competing claims or interests in the same assets. For security rights and notice to third parties to be effective, they must be capable of being publicized at reasonable costs and easily accessible to stakeholders. A reliable, affordable public registry system is therefore essential to promote optimal conditions for asset-based lending. Where several registries exist, the registration system should be integrated to the maximum extent possible so that all notices recorded under the secured transactions legislation can be easily retrieved.

**Enforcement systems.** A modern, credit-based economy requires predictable, transparent and affordable enforcement of both unsecured and secured credit claims by efficient mechanisms outside of insolvency, as well as a sound insolvency system. These systems must be designed to work in harmony. Commerce is a system of commercial relationships predicated on express or implied contractual agreements between an enterprise and a wide range of creditors and constituencies. Although commercial transactions have become increasingly complex as more sophisticated techniques are developed for pricing and managing risks, the basic rights governing these relationships and the procedures for enforcing these rights have not changed much. These rights enable parties to rely on contractual agreements, fostering confidence that fuels investment, lending and commerce. Conversely, uncertainty about the enforceability of contractual rights increases the cost of credit to compensate for the increased risk of nonperformance or, in severe cases, leads to credit tightening.

**Risk Management and Informal Workout Systems**

**Credit information systems.** A modern credit-based economy requires access to complete, accurate, and reliable information concerning borrowers’ payment histories. This process should take place in a legal environment that provides the framework for the creation and operation of effective credit information systems. Permissible uses of information from credit information systems should be clearly circumscribed, especially regarding information about individuals. Legal controls on the type of information collected and distributed by credit information systems may often be used to advance public policies, including anti-discrimination laws. Privacy concerns should be addressed through notice of the existence of such systems, notice of when information from such systems is used to make adverse decisions, and access by data subjects to stored credit information with the ability to dispute and have corrected inaccurate or incomplete information. An effective enforcement and supervision mechanism should be in place that provides efficient, inexpensive, transparent, and predictable methods...
for resolving disputes concerning the operation of credit information systems along with proportionate sanctions that encourage compliance but are not so stringent as to discourage the operation of such systems.

- **Informal corporate workouts.** Corporate workouts should be supported by an environment that encourages participants to restore an enterprise to financial viability. Informal workouts are negotiated in the “shadow of the law.” Accordingly, the enabling environment must include 1) clear laws and procedures that require disclosure of or access to timely and accurate financial information on the distressed enterprise; 2) encourage lending to, investment in, or recapitalization of viable distressed enterprises; 3) support a broad range of restructuring activities, such as debt write-offs, reschedulings, restructurings, and debt-equity conversions; and 4) provide favorable or neutral tax treatment for restructurings.

A country’s financial sector (possibly with help from the central bank or finance ministry) should promote an informal out-of-court process for dealing with cases of corporate financial difficulty in which banks and other financial institutions have a significant exposure—especially in markets where enterprise insolvency is systemic. An informal process is far more likely to be sustained where there are adequate creditor remedies and insolvency laws.

**Insolvency Law Systems**

- **Commercial insolvency.** Though approaches vary, effective insolvency systems have a number of aims and objectives. Systems should aspire to: (i) integrate with a country’s broader legal and commercial systems; (ii) maximize the value of a firm’s assets and recoveries by creditors; (iii) provide for the efficient liquidation of both nonviable businesses and businesses whose liquidation is likely to produce a greater return to creditors and reorganization of viable businesses; (iv) strike a careful balance between liquidation and reorganization, allowing for easy conversion of proceedings from one proceeding to another; (v) provide for equitable treatment of similarly situated creditors, including similarly situated foreign and domestic creditors; (vi) provide for timely, efficient, and impartial resolution of insolvencies; (vii) prevent the improper use of the insolvency system; (viii) prevent the premature dismemberment of a debtor’s assets by individual creditors seeking quick judgments; (ix) provide a transparent procedure that contains, and consistently applies, clear risk allocation rules and incentives for gathering and dispensing information; (x) recognize existing creditor rights and respect the priority of claims with a predictable and established process; and (xi) establish a framework for cross-border insolvencies, with recognition of foreign proceedings.

Where an enterprise is not viable, the main thrust of the law should be swift and efficient liquidation to maximize recoveries for the benefit of creditors. Liquidations can include the preservation and sale of the business, as distinct
Modern systems generally rely on design features to achieve objectives of appropriate rescue procedures. From the legal entity. On the other hand, where an enterprise is viable, meaning that it can be rehabilitated, its assets are often more valuable if retained in a rehabilitated business than if sold in a liquidation. The rescue of a business preserves jobs, provides creditors with a greater return based on higher going concern values of the enterprise, potentially produces a return for owners, and obtains for the country the fruits of the rehabilitated enterprise. The rescue of a business should be promoted through formal and informal procedures. Rehabilitation should permit quick and easy access to the process, protect all those involved, permit the negotiation of a commercial plan, enable a majority of creditors in favor of a plan or other course of action to bind all other creditors (subject to appropriate protections), and provide for supervision to ensure that the process is not subject to abuse. Modern rescue procedures typically address a wide range of commercial expectations in dynamic markets. Though insolvency laws may not be susceptible to fixed formulas, modern systems generally rely on design features to achieve the objectives outlined above.

**Implementation: Institutional and Regulatory Frameworks**

- Strong institutions and regulations are crucial to an effective insolvency system. The institutional framework has three main elements: the institutions responsible for insolvency proceedings, the operational system through which cases and decisions are processed, and the requirements needed to preserve the integrity of those institutions—recognizing that the integrity of the insolvency system is the linchpin for its success. A number of fundamental principles influence the design and maintenance of the institutions and participants with authority over insolvency proceedings.

**Overarching Considerations for Promoting Sound Investment Climates**

- **Transparency, accountability and corporate governance.** Minimum standards of transparency and corporate governance should be established to foster communication and cooperation. Disclosure of basic information—including financial statements, operating statistics, and detailed cash flows—is recommended for sound risk assessment. Accounting and auditing standards should be compatible with international best practices so that creditors can assess credit risk and monitor a debtor’s financial viability. A predictable, reliable legal framework and judicial process are needed to implement reforms, ensure fair treatment of all parties, and deter unacceptable practices. Corporate law and regulation should guide the conduct of the borrower’s shareholders. A corporation’s board of directors should be responsible, accountable, and independent of management, subject to best practices on corporate governance. The law should be imposed impartially and consistently. Creditor/debtor rights and insolvency systems interact with and are affected by these additional systems,
and are most effective when good practices are adopted in other relevant parts of the legal system, especially the commercial law.

- **Transparency and Corporate Governance.** Transparency and good corporate governance are the cornerstones of a strong lending system and corporate sector. Transparency exists when information is assembled and made readily available to other parties and, when combined with the good behavior of “corporate citizens,” creates an informed and communicative environment conducive to greater cooperation among all parties. Transparency and corporate governance are especially important in emerging markets, which are more sensitive to volatility from external factors. Without transparency, there is a greater likelihood that loan pricing will not reflect underlying risks, leading to higher interest rates and other charges. Transparency and strong corporate governance are needed in both domestic and cross-border transactions and at all phases of investment: at the inception when making a loan, when managing exposure while the loan is outstanding, and especially when a borrower’s financial difficulties become apparent and the lender is seeking to exit the loan. Lenders require confidence in their investment, and confidence can be provided only through ongoing monitoring, whether before or during a restructuring or after a reorganization plan has been implemented.

- From a borrower’s perspective, the continuous evolution in financial markets is evidenced by changes in participants, in financial instruments, and in the complexity of the corporate environment. Besides traditional commercial banks, today’s creditor (including foreign creditors) is as likely to be a lessor, an investment bank, a hedge fund, an institutional investor (such as an insurance company or pension fund), an investor in distressed debt, or a provider of treasury services or capital markets products. In addition, sophisticated financial instruments such as interest rate, currency, and credit derivatives have become more common. Although such instruments are intended to reduce risk, in times of market volatility they may increase a borrower’s risk profile, adding intricate issues of netting and monitoring of settlement risk exposure. Complex financial structures and financing techniques may enable a borrower to leverage in the early stages of a loan. But sensitivity to external factors, such as the interest rate environment in a developing economy, may be magnified by leverage and translate into greater overall risk.

- From a lender’s perspective, once it is apparent that a firm is experiencing financial difficulties and approaching insolvency, a creditor’s primary goal is to maximize the value of the borrower’s assets in order to obtain the highest debt repayment. A lender’s support of an exit plan, whether through reorganization and rehabilitation or through liquidation, depends on the quality of the information flow. To restructure a company’s balance sheet, the lender must be in a position to prudently determine the feasibility of extending final maturity, extending the amortization schedule, deferring interest, refinancing, or converting debt to equity, while alternatively or
concurrently encouraging the sale of non-core assets and closing unprofitable operations. The enterprise’s indicative value should be determined to assess the practicality of its sale, divestiture, or sale of controlling equity interest. Values must be established on both a going-concern and liquidation basis to confirm the best route to recovering the investment. And asset disposal plans, whether for liquidity replenishment or debt reduction, need to be substantiated through valuations of encumbered or unencumbered assets, taking into account where the assets are located and the ease and cost of access. All these efforts and the maximization of value depend on and are enhanced by transparency.

Transparency increases confidence in decision making and so encourages the use of out-of-court restructuring options. Such options are preferable because they often provide higher returns to lenders than straight liquidation through the legal process—and also because they avoid the costs, complexities and uncertainties of the legal process. In many developing countries it is hard to obtain reliable data for a thorough risk assessment. Indeed, it may be too costly to obtain the quantity and quality of information required in industrial countries. Still, efforts should be made to increase transparency.

- **Predictability.** Investment in emerging markets is discouraged by the lack of well-defined and predictable risk allocation rules and by the inconsistent application of written laws. Moreover, during systemic crises, investors often demand uncertainty risk premiums too onerous to permit markets to clear. Some investors may avoid emerging markets entirely despite expected returns that far outweigh known risks. Rational lenders will demand risk premiums to compensate for systemic uncertainty in making, managing, and collecting investments in emerging markets. The likelihood that creditors will have to rely on risk allocation rules increases when the fundamental factors supporting investment deteriorate. That is because risk allocation rules set minimum standards that have considerable application in limiting downside uncertainty but usually do not enhance returns in non-distressed markets (particularly for fixed-income investors). During actual or perceived systemic crises, lenders tend to concentrate on reducing risk and risk premiums soar. At these times the inability to predict downside risk can cripple markets. The effect can impinge on other risks in the country, causing lender reluctance even toward untroubled borrowers.

Lenders in emerging markets demand compensation for a number of procedural uncertainties. First, information on local rules and enforcement is often asymmetrically known. There is a widespread perception among lenders that local stakeholders can manipulate procedures to their advantage and often benefit from fraud and favoritism. Second, the absence or perceived ineffectiveness of corporate governance raises concerns about the diversion of capital, the undermining of security interests, or waste. Third, the extent to which non-insolvency laws recognize
contractual rights can be unpredictable, leaving foreign creditors in the sorry state of not having bought what they thought they bought. Fourth, the enforcement of creditor rights may be disproportionately demanding of time and money. Many creditors simply are not willing (or do not have the mandate) to try to improve returns if the enforcement process has an unpredictable outcome. In the end, a procedure unfriendly to investors but consistently applied may be preferred by lenders to uncertainty, because it provides a framework for managing risk through price adjustment.

Moreover, emerging markets appear to be particularly susceptible to rapid changes in the direction and magnitude of capital flows. The withdrawal of funds can overwhelm fundamental factors supporting valuation, and (as in the summer of 1998) creditors may race to sell assets to preserve value and reduce leverage. As secondary market liquidity disappears and leverage is unwound, valuation falls further in a self-reinforcing spiral. In industrial countries there is usually a class of creditor willing to make speculative investments in distressed assets and provide a floor to valuation. In theory such creditors also exist in emerging markets. But in practice, dedicated distressed players are scarce and tend to have neither the funds nor the inclination to replace capital withdrawn by more ordinary creditors. Non-dedicated creditors often fail to redirect capital and make up the investment deficit, partly because the learning curve in emerging markets is so steep, but also because of uncertainty about risk allocation rules. The result? Markets fail because there are no buyers for the price at which sellers not forced to liquidate simply hold and hope. If risk allocation rules were more certain, both dedicated and non-dedicated emerging market creditors would feel more comfortable injecting fresh capital in times of stress. In addition, sellers would feel more comfortable that they were not leaving money on the table by selling.

Relative to industrial countries, developing countries typically have weaker legal, institutional, and regulatory safeguards to give lenders (domestic and foreign) confidence that investments can be monitored or creditors’ rights will be enforced, particularly for debt collection. In general, a borrower’s operational, financial, and investment activities are not transparent to creditors. Substantial uncertainty exists regarding the substance and practical application of contract law, insolvency law, and corporate governance rules. And creditors perceive that they lack sufficient information and control over the process used to enforce obligations and collect debts. The lack of transparency and certainty erodes confidence among foreign creditors and undermines their willingness to extend credit.

In the absence of sufficient and predictable laws and procedures, creditors tend to extend funds only in return for unnecessarily high-risk premiums. In times of crisis they may withdraw financial support altogether. Countries would benefit substantially if creditor/debtor rights and insolvency systems were clarified and applied in a consistent and fully disclosed manner.
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## PART A. CREDITOR/DEBTOR RIGHTS

### A1 Key Elements

A modern credit-based economy should facilitate broad access to credit at affordable rates through the widest possible range of credit products (secured and unsecured) inspired by a complete, integrated and harmonized commercial law system designed to promote:

- reliable and affordable means for protecting credit and minimizing the risks of non-performance and default;
- transparency of credit instruments and a fair treatment of the rights of creditors and debtors, including appropriate protection for natural persons with respect to consumer debts and assets1;
- reliable procedures that enable credit providers and investors to more effectively assess, manage and resolve default risks and to promptly respond to a state of financial distress of an enterprise borrower;
- affordable, transparent and reasonably predictable mechanisms to enforce unsecured and secured credit claims by means of individual action (e.g., enforcement and execution) or through collective action and proceedings (e.g., insolvency);
- a consistent policy governing credit access, property rights, credit protection, credit risk management and recovery, and insolvency through laws and regulations that are compatible procedurally and substantively.

### A2 Security (Immovable Property)

One of the pillars of a credit economy is the ability to own and freely transfer ownership in land and land-use rights, and to grant a security right (such as a mortgage, charge or hypothec) to credit providers with respect to such rights as a means of gaining access to credit at more affordable prices. The typical hallmarks of such system include the following features:

- Clearly defined rules and procedures for granting, by agreement or operation of law, security rights in all types of immovable assets;
- Security rights related to any or all of a debtor’s obligations to a creditor, present or future, and between all types of persons;
- Clear rules of ownership and priority governing hierarchy of competing claims or rights in the same assets, eliminating or reducing priorities over security rights as much as possible;
- Methods of notice, including a system of registry, which will sufficiently publicize the existence of security rights to creditors, purchasers, and the public generally at the lowest possible cost.

### A3 Security (Movable Property)

A credit economy should broadly support all manner of modern forms of lending and credit transactions and structures, with respect to utilizing movable assets as a means of providing credit protection to reduce the costs of credit. A mature secured transactions system enables parties to grant a security right in movable property, with the primary features that include:

- Clearly defined rules for the creation, enforceability and effectiveness against third parties of security rights over movable assets;
- Clear rules for security agreements, and security rights arising by operation of law, if any;
- Allowance of security rights in all types of movable assets, whether tangible or intangible (for instance, equipment, inventory, goods in transit, attachments, accounts receivable, bank accounts, securities, intellectual property, agricultural products, commodities, and their proceeds, offspring and mutations), present, after-acquired or future assets (including goods to be manufactured or
Principles for Effective Insolvency and Creditor/Debtor Regimes

- acquires); wherever located and taken as collateral as specific assets, categories of assets, or the totality of movable assets of the grantor; and based on both possessory and non-possessory rights;
- Security rights related to any or all of a debtor’s obligations to a creditor, present or future, and between all types of person;
- Methods of notice (especially, through a system of registration) that will sufficiently publicize the possibility that there may be security rights to creditors, purchasers, and the public generally at the lowest possible cost;
- Clear rules of priority governing hierarchy of competing claims or rights in the same assets, eliminating or reducing priorities over security rights as much as possible; and
- Specific rules for acquisition finance developed on the basis of the general rules applicable to security rights or based on the recognition of the ownership rights of sellers in reservation of title sales and of lessors in financial leases; including methods of notice that will sufficiently publicize such rights.

### A4 Registry for Property and Security Rights over Immovable Assets

- There should be an efficient, transparent, and cost-effective registration system with regard to property rights and security rights in the grantor’s immovable assets.
- The registry should register property rights over land; land use rights; mortgages or hypothecs; charges or encumbrances over land, and it may also register permanent fixtures and attachments to the land. Land registries may be established by jurisdiction, region, or locale where the property is situated; ideally, they should provide for integrated, computerized search features.
- Mortgages, hypothecs and other charges or encumbrances over immovable assets should be registered in order to be effective vis-à-vis third parties.
- The registration system should be easily accessible, and inexpensive with respect to recording requirements and searches of the registry, and it should be secure.

### A5 Registry for Security Rights over Movable Assets

- There should be an efficient, transparent and inexpensive means of providing notice of the possible existence of security rights in regard to the grantor’s movable assets, with registration in most cases being the principal and strongly preferred method, with limited exceptions. The registration system should be easily accessible and inexpensive with respect to recording requirements and searches of the registry, and should be secure.
- Registration of notices should be possible before or after the creation of the security right.
- Registration of notices should be done upon the inclusion of the required information in the registry forms.
- The registry should record and integrate the notices of security rights, rendering them searchable on the basis of the grantor’s name, and, in some cases, the serial number of assets.
- Ideally the registry system should be centralized and computerized.
- Special registries are beneficial in the case of certain kinds of highly mobile assets, such as aircraft and vessels.
- Security rights over intellectual property can be registered at the general security rights’ registry, or at a special intellectual property registry, if any.
- Special registries for securities and rights over securities may also be established.
- Special registries should be coordinated, when necessary, with the general registry for security rights over movable assets.
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<th>Enforcement of Unsecured Debt</th>
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<td>A functional credit system should be supported by mechanisms and procedures that provide for efficient, transparent, and reliable methods for satisfying creditors’ rights by means of court proceedings or non-judicial dispute resolution procedures. To the extent possible, a country’s legal system should provide for abbreviated procedures for debt collection and execution.</td>
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<td>The proceeds should be distributed according to the priority rules of the applicable substantive law.</td>
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<td>Enforcement proceedings should provide for prompt realization of the rights obtained in secured assets, designed to enable recovery in a commercially reasonable manner.</td>
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<td>Enforcement proceedings should provide for recovery of possession of the encumbered asset, the possibility of proposing the acquisition of the asset by the secured creditor in total or partial satisfaction of the secured debt, and the prompt realization of the value of the encumbered asset, in good faith and in a commercially reasonable manner.</td>
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### PART B. RISK MANAGEMENT AND CORPORATE WORKOUT

#### B1 Credit Information Systems

A modern credit-based economy requires access to complete, accurate, and reliable information concerning borrowers’ payment histories. Key features of a credit information system should address the following:

**B1.1 Legal framework.** The legal environment should not impede but ideally should provide the framework for the creation and operation of effective credit information systems. Libel laws and similar laws have the potential to constrain good-faith reporting by credit information systems. While the accuracy of information reported is an important value, credit information systems should be afforded legal protection sufficient to encourage their activities without eliminating incentives to maintain high levels of accuracy.

**B1.2 Operations.** Permissible uses of information from credit information systems should be clearly circumscribed, especially regarding information about individuals. Measures should be employed to safeguard information contained in the credit information system. Incentives should exist to maintain the integrity of the database. The legal system should create incentives for credit information services in order to collect and maintain a broad range of information on a significant part of the population.

**B1.3 Public policy.** Legal controls on the type of information collected and distributed by credit information systems can be used to advance public policies. Legal controls on the type of information collected and distributed by credit information systems may be used to combat certain types of societal discrimination, such as discrimination based on race, gender, national origin, marital status, political affiliation, or union membership. There may be public policy reasons for restricting the ability of credit information services to report negative information beyond a certain period of time, such as five or seven years.

**B1.4 Privacy.** Subjects of information in credit information systems should be made aware of the existence of such systems and be able to access information about themselves. In particular, they should be notified when information from such systems is used to make adverse decisions about them. They should be able to dispute inaccurate or incomplete information and mechanisms should exist to have such disputes investigated and have errors corrected.

**B1.5 Enforcement/Supervision.** One benefit of the establishment of a credit information system is to permit regulators to assess an institution’s risk exposure, thus giving the institution the tools and incentives to assess that exposure itself. Enforcement systems should provide efficient, inexpensive, transparent, and predictable methods for resolving disputes concerning the operation of credit information systems. Both nonjudicial and judicial enforcement methods should be considered. Sanctions for violations of laws regulating credit information systems should be sufficiently stringent to encourage compliance but not so stringent as to discourage the operation of such systems.

#### B2 Directors’ Obligations in the Period Approaching Insolvency

Laws governing directors’ obligations in the period approaching insolvency should promote responsible corporate behavior while fostering reasonable risk taking and encouraging business reorganization. The law should provide appropriate remedies for breach of directors’ obligations, which may be enforced after insolvency proceedings have commenced.³
### B2.1 The obligation

The law should require that when they know or ought reasonably to know that insolvency of the enterprise is imminent or unavoidable, directors should have due regard to the interests of creditors and other stakeholders, and should take reasonable steps either to avoid insolvency, or where insolvency is unavoidable, to minimize its extent.

### B2.2 Persons owing the obligation

The law should specify the persons owing the obligation, which may include any person formally appointed as a director and any other person exercising factual control and performing the functions of a director.

### B2.3 Liability and Remedies

Where creditors suffer loss or damage due to a director’s breach of their obligations, the law should impose liability subject to possible defenses (including that the director took reasonable steps to avoid or minimize the extent of insolvency). The extent of any liability should not exceed the loss or damage suffered by creditors as a result of the breach. The law should specify that the remedies for liability found by the court to arise from a breach of the obligations should include payment in full to the insolvency estate of any damages assessed by the court. The insolvency representative should have primary standing to pursue a cause of action for breach.

### B2.4 Funding of actions

The law should provide for the costs of an action against a director to be paid as administrative expenses.

### B3 Enabling Legislative Framework

Corporate workouts and restructurings should be supported by an enabling environment, one that encourages participants to engage in consensual arrangements designed to restore an enterprise to financial viability. An environment that enables debt and enterprise restructuring includes laws and procedures that:

#### B3.1 Require disclosure of or ensure access to timely, reliable, and accurate financial information on the distressed enterprise;

#### B3.2 Encourage lending to, investment in, or recapitalization of viable financially distressed enterprises;

#### B3.3 Flexibly accommodate a broad range of restructuring activities, involving asset sales, discounted debt sales, debt write-offs, debt reschedulings, debt and enterprise restructurings, and exchange offerings (debt-to-debt and debt-to-equity exchanges);

#### B3.4 Provide favorable or neutral tax treatment with respect to losses or write-offs that are necessary to achieve a debt restructuring based on the real market value of the assets subject to the transaction;

#### B3.5 Address regulatory impediments that may affect enterprise reorganizations; and

#### B3.6 Give creditors reliable recourse to enforcement, as outlined in Section A, and to liquidation and/or reorganization proceedings, as outlined in Section C.
<table>
<thead>
<tr>
<th>B4</th>
<th>Informal Workout Procedures</th>
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<tbody>
<tr>
<td>B4.1</td>
<td>An informal workout process may work better if it enables creditors and debtors to use informal techniques, such as voluntary negotiation or mediation or informal dispute resolution. While a reliable method for timely resolution of inter-creditor differences is important, the financial supervisor should play a facilitating role consistent with its regulatory duties as opposed to actively participating in the resolution of inter-creditor differences.</td>
</tr>
<tr>
<td>B4.2</td>
<td>Where the informal procedure relies on a formal reorganization, the formal proceeding should be able to quickly process the informal, pre-negotiated agreement.</td>
</tr>
<tr>
<td>B4.3</td>
<td>In the context of a systemic crisis, or where levels of corporate insolvency have reached systemic levels, informal rules and procedures may need to be supplemented by interim framework enhancement measures in order to address the special needs and circumstances encountered with a view to encouraging restructuring. Such interim measures are typically designed to cover the crisis and resolution period without undermining the conventional proceedings and systems.</td>
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<tr>
<th>B5</th>
<th>Regulation of Workout and Risk Management Practices</th>
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<tbody>
<tr>
<td>B5.1</td>
<td>A country’s financial sector (possibly with the informal endorsement and assistance of the central bank, finance ministry, or bankers’ association) should promote the development of a code of conduct on a voluntary, consensual procedure for dealing with cases of corporate financial difficulty in which banks and other financial institutions have a significant exposure, especially in markets where corporate insolvency has reached systemic levels.</td>
</tr>
<tr>
<td>B5.2</td>
<td>In addition, good risk-management practices should be encouraged by regulators of financial institutions and supported by norms that facilitate effective internal procedures and practices supporting the prompt and efficient recovery and resolution of nonperforming loans and distressed assets.</td>
</tr>
</tbody>
</table>
### PART C. LEGAL FRAMEWORK FOR INSOLVENCY

#### C1 Key Objectives and Policies

Though country approaches vary, effective insolvency systems should aim to:

- Integrate with a country’s broader legal and commercial systems;
- Maximize the value of a firm’s assets and recoveries by creditors;
- Provide for the efficient liquidation of both nonviable businesses and those where liquidation is likely to produce a greater return to creditors and the reorganization of viable businesses;
- Strike a careful balance between liquidation and reorganization, allowing for easy conversion of proceedings from one procedure to another;
- Provide for equitable treatment of similarly situated creditors, including similarly situated foreign and domestic creditors;
- Provide for timely, efficient, and impartial resolution of insolvencies;
- Prevent the improper use of the insolvency system;
- Prevent the premature dismemberment of a debtor’s assets by individual creditors seeking quick judgments;
- Provide a transparent procedure that contains, and consistently applies, clear risk allocation rules and incentives for gathering and dispensing information;
- Recognize existing creditor rights and respect the priority of claims with a predictable and established process; and
- Establish a framework for cross-border insolvencies, with recognition of foreign proceedings.

#### C2 Due Process: Notification and Information

Effectively protecting the rights of parties with an interest in a proceeding requires that such parties have a right to be heard on and to receive proper notice of matters that affect their rights, and that such parties be afforded access to information relevant to protecting their rights or interests and to efficiently resolving disputes. To achieve these objectives, the insolvency system should:

- **C2.1** Afford timely and proper notice to interested parties in a proceeding concerning matters that affect their rights. In insolvency proceedings, there should be procedures for appellate review that support timely, efficient, and impartial resolution of disputed matters. As a general rule, appeals do not stay insolvency proceedings, although the court may have power to do so in specific cases.
- **C2.2** Require the debtor to disclose relevant information pertaining to its business and financial affairs in detail sufficient to enable the court, creditors, and affected parties to reasonably evaluate the prospects for reorganization. The system should also provide for independent comment on and analysis of that information. Provision should be made for the possible examination of directors, officers and other persons with knowledge of the debtor’s financial position and business affairs, who may be compelled to give information to the court, the insolvency representative, and the creditor’s committee.
- **C2.3** Provide for the retention of professional experts to investigate, evaluate, or develop information that is essential to key decision-making. Professional experts should act with integrity, impartiality, and independence.
### Commencement

<table>
<thead>
<tr>
<th>C3</th>
<th>Eligibility</th>
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<tbody>
<tr>
<td>The insolvency proceeding should apply to all enterprises or corporate entities, including state-owned enterprises. Exceptions should be limited, clearly defined, and should be dealt with through a separate law or through special provisions in the insolvency law.</td>
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<tr>
<th>C4</th>
<th>Applicability and Accessibility</th>
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<tbody>
<tr>
<td><strong>C4.1</strong></td>
<td>Access to the system should be efficient and cost-effective. Both debtors and creditors should be entitled to apply for insolvency proceedings.</td>
</tr>
</tbody>
</table>

| **C4.2** | Commencement criteria and presumptions about insolvency should be clearly defined in the law. The preferred test to commence an insolvency proceeding should be the debtor’s inability to pay debts as they mature, although insolvency may also exist where the debtor’s liabilities exceed the value of its assets, provided that the values of assets and liabilities are measured on the basis of fair-market values. |

| **C4.3** | Debtors should have easy access to the insolvency system upon showing proof of basic criteria (insolvency or financial difficulty). |

| **C4.4** | Where the application for commencement of a proceeding is made by a creditor, the debtor should be entitled to prompt notice of the application, an opportunity to defend against the application, and a prompt decision by the court on the commencement of the case or the dismissal of the creditor’s application. |
### Provisional Measures and Effects of Commencement

**C5.1** When an application has been filed, but before the court has rendered a decision, provisional relief or measures should be granted when necessary to protect the debtor’s assets and the interests of stakeholders, subject to affording appropriate notice to affected parties.

**C5.2** The commencement of insolvency proceedings should prohibit the unauthorized disposition of the debtor’s assets and suspend actions by creditors to enforce their rights or remedies against the debtor or the debtor’s assets. The injunctive relief (stay) should be as wide and all-encompassing as possible, extending to an interest in assets used, occupied, or in the possession of the debtor.

**C5.3** A stay of actions by secured creditors also should be imposed in liquidation proceedings to enable higher recovery of assets by sale of the entire business or its productive units, and in reorganization proceedings where the collateral is needed for the reorganization. The stay should be of limited, specified duration, strike a proper balance between creditor protection and insolvency proceeding objectives, and provide for relief from the stay by application to the court based on clearly established grounds when the insolvency proceeding objectives or the protection of the secured creditor’s interests in its collateral are not achieved. Exceptions to the general rule on a stay of enforcement actions should be limited and clearly defined.

### Governance

**C6 Management**

**C6.1** In liquidation proceedings, management should be replaced by an insolvency representative with authority to administer the estate in the interest of creditors. Control of the estate should be surrendered immediately to the insolvency representative. In creditor-initiated filings, where circumstances warrant, an interim administrator with limited functions should be appointed to monitor the business to ensure that creditor interests are protected.

**C6.2** There are typically three preferred approaches in reorganization proceedings:

- Exclusive control of the proceeding is entrusted to an independent insolvency representative; or
- Governance responsibilities remain invested in management; or
- Supervision of management is undertaken by an impartial and independent insolvency representative or supervisor.
  - Under the second and third approaches, complete administrative power should be shifted to the insolvency representative if management proves incompetent or negligent or has engaged in fraud or other misbehavior.
### C7 Creditors and the Creditors’ Committee

**C7.1** The role, rights, and governance of creditors in proceedings should be clearly defined. Creditor interests should be safeguarded by appropriate means that enable creditors to effectively monitor and participate in insolvency proceedings to ensure fairness and integrity, including by creation of a creditors’ committee as a preferred mechanism, especially in cases involving numerous creditors.

**C7.2** Where a committee is established, its duties and functions, and the rules for the committee’s membership, quorum and voting, and the conduct of meetings should all be specified by the law. The committee should be consulted on non-routine matters in the case and have the ability to be heard on key decisions in the proceeding. The committee should have the right to request relevant and necessary information from the debtor. It should serve as a conduit for processing and distributing that information to other creditors and for organizing creditors to decide on critical issues. In reorganization proceedings, creditors should be entitled to participate in the selection of the insolvency representative.

### Administration

### C8 Collection, Preservation, Administration and Disposition of Assets

**C8.1** The insolvency estate should include all of the debtor’s assets, including encumbered assets and assets obtained after the commencement of the case. Assets excluded from the insolvency estate should be strictly limited and clearly defined by the law.

**C8.2** After the commencement of the insolvency proceedings, the court or the insolvency representative should be allowed to take prompt measures to preserve and protect the insolvency estate and the debtor’s business. The system for administering the insolvency estate should be flexible and transparent and enable disposal of assets efficiently and at the maximum values reasonably attainable. Where necessary, the system should allow assets to be sold free and clear of security interests, charges, or other encumbrances, subject to preserving the priority of interests in the proceeds from the assets disposed.

**C8.3** The rights and interests of a third-party owner of assets should be protected where its assets are used during the insolvency proceedings by the insolvency representative and/or the debtor in possession.

### C9 Stabilizing and Sustaining Business Operations

**C9.1** The business should be permitted to operate in the ordinary course. Transactions that are not part of the debtor’s ordinary course of business activities should be subject to court review.

**C9.2** Subject to appropriate safeguards, the business should have access to commercially sound forms of financing, including on terms that afford a repayment priority under exceptional circumstances, to enable the debtor to meet its ongoing business needs.
### Treatment of Contractual Obligations

**C10.1** To achieve the objectives of insolvency proceedings, the system should allow interference with the performance of contracts where both parties have not fully performed their obligations. Interference may imply continuation, rejection, or assignment of contracts.

**C10.2** To gain the benefit of contracts that have value, the insolvency representative should have the option of performing and assuming the obligations under those contracts. Contract provisions that provide for termination of a contract upon either an application for commencement or the commencement of insolvency proceedings should be unenforceable subject to special exceptions.

**C10.3** Where the contract constitutes a net burden to the estate, the insolvency representative should be entitled to reject or cancel the contract, subject to any consequences that may arise from rejection.

**C10.4** Exceptions to the general rule of contract treatment in insolvency proceedings should be limited, clearly defined, and allowed only for compelling commercial, public, or social interests, such as in the following cases:

- Upholding general setoff rights, subject to rules of avoidance;
- Upholding (subject to a possible short stay for a defined period) termination, netting and close-out provisions contained in clearly defined types of financial contracts, where undue delay of such actions would, because of the type of counterparty or transaction, create risks to financial market stability;
- Preventing the continuation and assignment of contracts for irreplaceable and personal services where the law would not require acceptance of performance by another party; and
- Establishing special rules for treating employment contracts and collective bargaining agreements.

### Avoidable Transactions

**C11.1** After the commencement of an insolvency proceeding, transactions by the debtor that are not consistent with the debtor’s ordinary course of business or engaged in as part of an approved administration should be avoided (cancelled), with narrow exceptions protecting parties who lacked notice.

**C11.2** Certain transactions prior to the application for or the date of commencement of the insolvency proceeding should be avoidable (cancelable), including fraudulent and preferential transfers made when the enterprise was insolvent or that rendered the enterprise insolvent.

**C11.3** The suspect period, during which payments are presumed to be preferential and may be set aside, should be reasonably short in respect to general creditors to avoid disrupting normal commercial and credit relations, but the period may be longer in the case of gifts or where the person receiving the transfer is closely related to the debtor or its owners.
### Claims and Claims Resolution Procedures

<table>
<thead>
<tr>
<th>C12</th>
<th>Treatment of Stakeholder Rights and Priorities</th>
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<tbody>
<tr>
<td><strong>C12.1</strong></td>
<td>The rights of creditors and the priorities of claims established prior to insolvency proceedings under commercial or other applicable laws should be upheld in an insolvency proceeding to preserve the legitimate expectations of creditors and encourage greater predictability in commercial relationships. Deviations from this general rule should occur only where necessary to promote other compelling policies, such as the policy supporting reorganization, or to maximize the insolvency estate’s value. Rules of priority should enable creditors to manage credit efficiently, consistent with the following additional principles:</td>
</tr>
<tr>
<td><strong>C12.2</strong></td>
<td>The priority of secured creditors in their collateral should be upheld and, absent the secured creditor’s consent, its interest in the collateral should not be subordinated to other priorities granted in the course of the insolvency proceeding. Distributions to secured creditors should be made as promptly as possible.</td>
</tr>
<tr>
<td><strong>C12.3</strong></td>
<td>Following distributions to secured creditors from their collateral and the payment of claims related to the costs and expenses of administration, proceeds available for distribution should be distributed <em>pari passu</em> to the remaining general unsecured creditors, unless there are compelling reasons to justify giving priority status to a particular class of claims. Public interests generally should not be given precedence over private rights. The number of priority classes should be kept to a minimum.</td>
</tr>
<tr>
<td><strong>C12.4</strong></td>
<td>Workers are a vital part of an enterprise, and careful consideration should be given to balancing the rights of employees with those of other creditors.</td>
</tr>
<tr>
<td><strong>C12.5</strong></td>
<td>In liquidation, equity interests or the owners of the business are not entitled to a distribution of the proceeds of assets until the creditors have been fully repaid. The same rule should apply in reorganization, although limited exceptions may be made under carefully stated circumstances that respect rules of fairness entitling equity interests to retain a stake in the enterprise.</td>
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<tr>
<th>C13</th>
<th>Claims Resolution Procedures</th>
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<tbody>
<tr>
<td><strong>C13</strong></td>
<td>Procedures for notifying creditors and permitting them to file claims should be cost effective, efficient, and timely. While there must be a rigorous system of examining claims to ensure validity and resolve disputes, the delays inherent in resolving disputed claims should not be permitted to delay insolvency proceedings.</td>
</tr>
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</table>
C14 **Reorganization Proceedings**

C14.1 The system should:

- Promote quick and easy access to the proceeding;
- Assure timely and efficient administration of the proceeding; afford sufficient protection for all those involved in the proceeding;
- Provide a structure that encourages fair negotiation of a commercial plan; and
- Provide for approval of the plan by an appropriate majority of creditors.

**Key features and principles of a modern reorganization proceeding include the following:**

C14.2 **Plan Formulation and Consideration.** There should be a flexible approach for developing the plan consistent with fundamental requirements designed to promote fairness and prevent commercial abuse.

C14.3 **Plan Voting and Approval.** For voting purposes, classes of creditors may be provided with voting rights weighted according to the amount of a creditor’s claim. Claims and voting rights of insiders should be subject to special scrutiny and treated in a manner that will ensure fairness. Plan approval should be based on clear criteria aimed at achieving fairness among similar creditors, recognition of relative priorities, and majority acceptance, while offering opposing creditors or classes a dividend equal to or greater than they would likely receive in a liquidation proceeding. Where court confirmation is required, the court should normally defer to the decision of the creditors based on a majority vote. Failure to approve a plan within the stated time period, or any extended periods, is typically grounds for placing the debtor into a liquidation proceeding.

C14.4 **Plan Implementation and Amendment.** Effective implementation of the plan should be independently supervised. A plan should be capable of amendment (by vote of the creditors) if it is in the interests of the creditors. Where a debtor fails or is incapable of implementing the plan, this should be grounds for terminating the plan and liquidating the insolvency estate.

C14.5 **Discharge and Binding Effects.** The system should provide for plan effects to be binding with respect to forgiveness and to cancellation or alteration of debts. The effect of approval of the plan by a majority vote should bind all creditors, including dissenting minorities.

C14.6 **Plan revocation and closure.** Where approval of the plan has been procured by fraud, the plan should be reconsidered or set aside. Upon consummation and completion of the plan, provision should be made to swiftly close the proceedings and enable the enterprise to carry on its business under normal conditions and governance.

C15 **International Considerations**

Insolvency proceedings may have international aspects, and a country’s legal system should establish clear rules pertaining to jurisdiction, recognition of foreign judgments, cooperation among courts in different countries, and choice of law. Key factors to effective handling of cross-border matters typically include:

- A clear and speedy process for obtaining recognition of foreign insolvency proceedings;
- Relief to be granted upon recognition of foreign insolvency proceedings;
- Foreign insolvency representatives to have access to courts and other relevant authorities;
- Courts and insolvency representatives to cooperate in international insolvency proceedings; and
- Non-discrimination between foreign and domestic creditors.
## Insolvency of Domestic Enterprise Groups

### C16.1 Procedural Coordination
The system should specify that the administration of insolvency proceedings with respect to two or more enterprise group members may be coordinated for procedural purposes. The scope and extent of the procedural coordination should be specified by the court.

### C16.2 Post-commencement Finance
The system should permit an enterprise group member subject to insolvency proceedings to provide or facilitate post-commencement finance or other kind of financial assistance to other enterprises in the group which are also subject to insolvency proceedings. The system should specify the priority accorded to such post-commencement finance.

### C16.3 Substantive Consolidation
The insolvency system should respect the separate legal identity of each of the enterprise group members. When substantive consolidation is contemplated, it should be restricted to circumstances where:

- Assets or liabilities of the enterprise group members are intermingled to such an extent that the ownership of assets and responsibility for liabilities cannot be identified without disproportionate expense or delay; or
- The enterprise group members are engaged in a fraudulent scheme or activity with no legitimate business purpose.

The court should be able to exclude specific claims and assets from an order of consolidation. In the event of substantive consolidation, the system should contemplate an adequate treatment of secured transactions, priorities, creditor meetings, and avoidance actions. The system should specify that a substantive consolidation order would cause the assets and liabilities of the consolidated enterprises to be treated as if they were part of a single estate; extinguish debts and claims as amongst the relevant enterprises; and cause claims against the relevant enterprises to be treated as if they were against a single insolvency estate.

### C16.4 Avoidance actions
The system should authorize the court considering whether to set aside a transaction that took place among enterprise group members, or between any of them and a related person, to take into account the specific circumstances of the transaction.

### C16.5 Insolvency Representative
The system should permit a single or the same insolvency representative to be appointed with respect to two or more enterprise group members, and should include provisions addressing situations involving conflicts of interest. Where there are different insolvency representatives for different enterprise group members, the system should allow insolvency representatives to communicate directly and to cooperate to the maximum extent possible.

### C16.6 Reorganization Plans
The system should permit coordinated reorganization plans to be proposed in insolvency proceedings with respect to two or more enterprise group members. The system should allow enterprise group members not subject to insolvency proceedings to voluntarily participate in a reorganization plan of other group members subject to insolvency proceedings.
<table>
<thead>
<tr>
<th>C17</th>
<th>Insolvency of International Enterprise Groups&lt;sup&gt;12&lt;/sup&gt;</th>
</tr>
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<tbody>
<tr>
<td>C17.1. <strong>Access to court and Recognition of Proceedings.</strong> In the context of the insolvency of enterprise group members, the system should provide foreign representatives and creditors with access to the court, and for the recognition of foreign insolvency proceedings, if necessary.</td>
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<tr>
<td>C17.2. <strong>Cooperation involving courts.</strong> The system should allow the national court to cooperate to the maximum possible extent with foreign courts or foreign representatives, either directly or through the local insolvency representative. The system should permit the national court to communicate directly with, or to request information or assistance directly from, foreign courts or representatives.</td>
<td></td>
</tr>
<tr>
<td>C17.3. <strong>Cooperation involving insolvency representatives.</strong> The system should allow insolvency representatives appointed to administer proceedings with respect to an enterprise group member to communicate directly and to cooperate to the maximum extent possible with foreign courts and with foreign insolvency representatives in order to facilitate coordination of the proceedings.</td>
<td></td>
</tr>
<tr>
<td>C17.4. <strong>Appointment of the insolvency representative.</strong> The system should allow, in specific circumstances, for the appointment of a single or the same insolvency representative for enterprise group members in different States. In such cases, the system should include measures addressing situations involving conflicts of interest.</td>
<td></td>
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<tr>
<td>C17.5. <strong>Cross-border insolvency agreements.</strong> The system should permit insolvency representatives and other parties in interest to enter into cross-border insolvency agreements involving two or more enterprise group members in different States in order to facilitate coordination of the proceedings. The system should allow the courts to approve or implement such agreements.</td>
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PART D. IMPLEMENTATION: INSTITUTIONAL AND REGULATORY FRAMEWORKS

Institutional Considerations

D1 Role of Courts

D1.1 Independence, Impartiality and Effectiveness. The system should guarantee the independence of the judiciary. Judicial decisions should be impartial. Courts should act in a competent manner and effectively.

D1.2 Role of Courts in Insolvency Proceedings. Insolvency proceedings should be overseen and impartially disposed of by an independent court and assigned, where practical, to judges with specialized insolvency expertise. Nonjudicial institutions playing judicial roles in insolvency proceedings should be subject to the same principles and standards applied to the judiciary.

D1.3 Jurisdiction of the Insolvency Court. The court’s jurisdiction should be defined and clear with respect to insolvency proceedings and matters arising in the conduct of these proceedings.

D1.4 Exercise of Judgment by the Court in Insolvency Proceedings. The court should have sufficient supervisory powers to efficiently render decisions in proceedings in line with the legislation without inappropriately assuming a governance or business management role for the debtor, which would typically be assigned to management or an insolvency representative.

D1.5 Role of Courts in Commercial Enforcement Proceedings. The general court system must include components that effectively enforce the rights of both secured and unsecured creditors outside of insolvency proceedings. If possible, these components should be staffed by specialists in commercial matters. Alternatively, specialized administrative agencies with that expertise may be established.

D2 Judicial Selection, Qualification, Training and Performance

D2.1 Judicial Selection and Appointment. Adequate and objective criteria should govern the process for selection and appointment of judges.

D2.2 Judicial Training. Judicial education and training should be provided to judges.

D2.3 Judicial Performance. Procedures should be adopted to ensure the competence of the judiciary and efficiency in the performance of court proceedings. These procedures serve as a basis for evaluating court efficiency and for improving the administration of the process.

D3 Court Organization

The court should be organized so that all interested parties—including the attorneys, the insolvency representative, the debtor, the creditors, the public, and the media—are dealt with fairly, in a timely manner, objectively, and as part of an efficient, transparent system. Implicit in that structure are firm and recognized lines of authority, clear allocation of tasks and responsibilities, and orderly operations in the courtroom and case management.

D4 Transparency and Accountability

An insolvency and creditor rights system should be based upon transparency and accountability. Rules should ensure ready access to relevant court records, court hearings, debtor and financial data, and other public information.
Judicial Decision Making and Enforcement of Orders

D5.1 Judicial Decision Making. Judicial decision making should encourage consensual resolution among parties where possible, and should otherwise undertake timely adjudication of issues with a view to reinforcing predictability in the system through consistent application of the law.

D5.2 Enforcement of Orders. The court must have clear authority and effective methods of enforcing its judgments.

D5.3 Creating a Body of Jurisprudence. A body of jurisprudence should be developed by means of consistent publication of important and novel judicial decisions, especially by higher courts, using publication methods that are both conventional and electronic (where possible).

Integrity of the System

D6.1 Integrity of the court. The system should guarantee security of tenure and adequate remuneration of judges, personal security for judicial officers, and the security of court buildings. Court operations and decisions should be based on firm rules and regulations to avoid corruption and undue influence.

D6.2 Conflict of interest and bias. The court must be free of conflicts of interest, bias, and lapses in judicial ethics, objectivity, and impartiality.

D6.3 Integrity of participants. Persons involved in a proceeding must be subject to rules and court orders designed to prevent fraud, other illegal activity, and abuse of the insolvency and creditor rights system. In addition, the court must be vested with appropriate powers to enforce its orders and address matters of improper or illegal activity by parties or persons appearing before the court with respect to court proceedings.

Role of Regulatory or Supervisory Bodies

The bodies responsible for regulating or supervising insolvency representatives should:

- Be independent of individual representatives;
- Set standards that reflect the requirements of the legislation and public expectations of fairness, impartiality, transparency, and accountability; and
- Have appropriate powers and resources to enable them to discharge their functions, duties, and responsibilities effectively.

Competence and Integrity of Insolvency Representatives

The system should ensure that:

- Criteria as to who may be an insolvency representative should be objective, clearly established, and publicly available;
- Insolvency representatives be competent to undertake the work to which they are appointed and to exercise the powers given to them;
- Insolvency representatives act with integrity, impartiality, and independence; and
- Insolvency representatives, where acting as managers, be held to director and officer standards of accountability, and be subject to removal for incompetence, negligence, fraud, or other wrongful conduct.¹³
ENDNOTES

1. See Principle A6 footnote.

2. Enforcement under this principle aims primarily at the treatment with respect to proceedings to recover against corporate debtors. Where enforcement proceedings involve individuals, reasonable and clearly defined exemptions may need to be adopted to allow individuals to retain household goods and those assets indispensable to the debtor’s profession or job as well as the subsistence of the debtor and his/her family.

3. This principle addresses only accountabilities of directors in the period when they know or ought reasonably to have known that the enterprise imminently or unavoidably faces insolvency. General principles for corporate governance and officer and director liability to their shareholders are dealt with under the OECD Principles for Corporate Governance.

4. Persons owing the obligation are referred to in this principle as “directors”.

5. The liability to compensate creditors for damage caused due to the breach of the obligation does not preclude imposing other remedies in addition to the payment of compensation, for example the disqualification of a director from being a director. It also does not preclude holding directors accountable for fraudulent activities including through taking criminal actions against directors.

6. Ideally, the insolvency process should apply to SOEs, or alternatively, exceptions of SOEs should be clearly defined and based upon compelling state policy.

7. A single or dual approach may be adopted, although where only a single test is adopted it should be based on the liquidity approach for determining insolvency – that is, the debtor’s inability to pay due debts.

8. Treatment of contracts typically also includes leases.

9. The identification of relevant types of financial contracts should be determined in advance in accordance with existing international instruments (see below). The operation of termination, netting, and close-out provisions would not preclude the application of a short stay for a defined period under the national law governing bank resolution, or of a similar stay that the national insolvency law may provide, particularly to accomplish the orderly transfer of the contracts to a solvent counterparty. Such stay should be subject to appropriate safeguards. Early termination rights would be suspended, provided that the substantive obligations of the debtor under the relevant contracts continue to be performed in full. The relevant provisions of national law should be reviewed generally for consistency with existing international instruments, including specifically the European Union Bank Recovery and Resolution Directive, the European...
Union Directive on Financial Collateral Arrangements, the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions, and the UNIDROIT Principles on The Operation of Close-out Netting Provisions.

10. Subject to any intercreditor agreements and contractual subordination provisions or where equitable subordination of a creditors claim may be appropriate.

11. See Principle C11.

12. See Principle C15. See also Principle C16.

For further information on the ICR Principles, the ICR ROSC or the World Bank Group Insolvency & Debt Resolution Technical Assistance Program, please contact:

Mahesh Uttamchandani  
Global Lead for Credit Infrastructure  
World Bank Group Finance & Markets Global Practice  
muttamchandani@worldbank.org

www.worldbank.org/insolvency
About Thailand

Country

Thailand, the only Southeast Asian nation never to have been colonized by European powers, is a constitutional monarchy whose current head of state is HM Bhumibol Adulyadej. A unified Thai kingdom has existed since the mid-14th century, and Thailand was known as Siam until 1939 when it officially became the Kingdom of Thailand.

Geography

Thailand is the 50th largest country in the world; most nearly equal in size to Spain. Located just 15 degrees north of the equator, Thailand has a tropical climate and temperatures typically range from 19 to 61 degrees Celsius.
38 degrees C (66-100 F). Thailand’s largest peak, Doi Inthanon, is 2,565 meters (8,415 ft) tall. Thailand covers 510,890 sq km of land and 2,230 sq km of water. The coastline of Thailand is 3,219 km long. Thailand’s longest shared border is with Myanmar (Burma), stretching 1,800 km.

Area
Thailand has a rough geographical area of 514,000 sq km (200,000 sq miles). This makes Thailand roughly equivalent in size to France or Texas.

Weather
The weather in Thailand is generally hot and humid: typical of its location within the tropics. Generally speaking, Thailand can be divided into three seasons: “hot” season, rainy season, and “cool” season, though Thailand’s geography allows visitors to find suitable weather somewhere in the country throughout the year.


Population
The population of Thailand comprises of roughly 65 million citizens, the majority of whom are ethnically Thai, though peoples of Chinese, Indian, Malay, Mon, Khmer, Burmese, and Lao origin are also represented to varying degrees. Approximately 7 million citizens live in the capital city, Bangkok, though this number varies seasonally and is otherwise difficult to accurately count.

Capital
Bangkok

People
The vast majority (roughly 80%) of Thailand’s nearly 65 million citizens are ethnically Thai. The remainder consists primarily of peoples of Chinese, Indian, Malay, Mon, Khmer, Burmese, and Lao decent. Of the 7 million citizens who live in the capital city, Bangkok, there is a greater diversity of ethnicities, including a large number of expatriate residents from across the globe. Other geographic distinctions of the population include a Muslim majority in the south near the Malaysian border, and hill tribe ethnic groups, such as the Hmong and Karen, who live in the northern mountains.

Language
More than 92% of the population speaks Thai or one of its regional dialects. While the Thai language is the official language of Thailand, as a result of its cosmopolitan capital city and established tourism infrastructure, English is spoken and understood throughout much of Thailand.

Religion
94.6% of Thais are Buddhist, 4.6% of Thais are Muslim 0.7% of Thais are Christian

Government
Thailand is a constitutional monarchy, not dissimilar to England’s, whereby an elected Prime Minister is authorized to be the head of government and a hereditary Thai King is head of state. The constitution of Thailand allows for the people of Thailand to democratically elect their leaders in the form of a parliament, with a bicameral legislature consisting of a Senate and House of Representatives, and
executive authority in the hands of the Prime Minister. A Judiciary, overseen by the Supreme Court, was designed to act independently of the executive and the legislature.

**Temperature**

Located just 15 degrees north of the equator, Thailand has a tropical climate and temperatures typically range from 19 to 38 degrees C (66-100 F)

**Holidays**

1 Jan: New Year’s Day
Feb-Mar: Makha Bucha Day: Buddhist holiday on full moon of fourth lunar month.
6 Apr: Chakri Memorial Day: Honoring the dynasty of the reigning royal family.
13-15 April: Songran, Thai New Year’s celebration.
May: Royal Ploughing Ceremony: To honor farming season; date determined by royal astrologer
May: Visakha Bucha: Buddhist holiday on full moon of the 6th lunar month.
1 May: Labor Day
5 May: Coronation Day: Commemorating the coronation of present King of Thailand.
July: Asanha Bucha Day: Buddhist Holiday on full moon of 8th lunar month
Vassa: beginning of Buddhist lent on first waning moon of 8th lunar month
12 Aug: Queen’s Birthday-Mother’s Day
23 Oct: Chulalongkorn Day: Honoring a former King of Thailand.
5 Dec: King’s Birthday-Father’s Day
10 Dec: Constitution Day: celebrating the kingdom’s first constitution.
31 Dec: New Year’s Eve
Other important holidays: Jan: Chinese New Year
Nov: Loy Kratong

**Economics**

The economy of Thailand is reliant on exports, which account for 60% of Thailand’s approximately US$ 200 billion GDP. The economy of Thailand is the 2nd largest in Southeast Asia. Thailand's exports consist primarily of agricultural products including fish and rice, of which it is the largest exporter in the world, as well as textiles, rubber, automobiles, computers and other electronic appliances, and jewelry. While one of the premier tourist destinations in the world, Thailand relies on tourism to provide only 7% of its GDP.

**Distance**

From: Sydney, Australia 4679.57 m. / 7530.84 km
Tokyo, Japan 2860.65 m. / 4603.65 km
Beijing, China 2294.22 m. / 3692.08 km
Hong Kong 1071.22 m. / 1723.91 km
New Delhi, India 1811.73 km
Dubai, UAE 3034.04 m. / 4882.68 km
Rome, Italy 4882.68 m. / 8825.12 km
Madrid, Spain 6322.51 m. / 10174.82 km
Paris, France 5865.21 m. / 9438.89 km
Berlin, Germany 5343.29 m. / 8598.95 km
Stockholm, Sweden 5135 m. / 8263.76 km
London, UK 5919.32 m. / 9525.96 km
Moscow, Russia 4387.52 m. / 7060.83 km
New York, USA 8651.33 m. / 13922.59 km
Los Angeles, USA 8260.17 m. / 13293.1 km
Vancouver, Canada 7331.48 m. / 11798.55 km

**Currency**

The currency of Thailand is the Thai Baht. Baht come in both coin and banknote form. The size of Thai currency, both coins and bills increases with value and varies in color.

**Banking**

Thai bank hours are generally Monday through Friday, 9:30 am to 3:30 pm, though certain banks have shorter Saturday hours and currency exchange booths are open considerably longer hours in Bangkok and other tourist destinations.

**Post Office**

The Thailand postal service is efficient and reliable with branches in most major towns throughout the Kingdom. Thailand post offices are open M-F 8am-4:30pm and Sa-Su 9am-1pm. However, The Central
GPO in Bangkok, located on New Road, is open until 6pm M-F and Sa-Su 9am-1pm. All Thai post offices are closed on public holidays, though most major hotels can arrange to mail letters and parcels on your behalf. In addition to domestic and international mail services, both land and air, standard and registered, the Thailand postal service also provide telegram service.

Time
Thailand Standard time is GMT +7. Thailand does not observe daylight savings.

Weights & Measures
Thailand uses the metric system for all weights and measurements, with the exception of area, which Thais divide into wa and rai.

Electricity
Electrical outlets in Thailand are charged to 220v at 50 cycles per second, which is compatible with appliances from the U.K. but not those from the US and many other nations. While most computer cables have adaptors for voltage, visitors from the U.S. and those not on the 220/50 v. will have to bring adapters to run most other appliances. Outlets in Thailand generally feature flat, two pronged plugs, though some feature holes for round plug ends. Few outlets feature three holes (grounded outlets) so it is often necessary to have a three to two prong adapter for using notebook computers in Thailand.

Accommodation
Thailand hotels are some of the finest in the world, whether they are five star luxury spa retreats or quaint family-run beachfront bungalows. There is a hotel in Thailand for every type of traveler on every budget. That said, the best prices are during Thailand’s off-peak season (May - Aug), while the most expensive prices are typically during the cool season (Dec - Feb). Whether your accommodation choice is a homestay with local villagers, a guesthouse in a backpacker district, a beach bungalow, or a five star hotel in Thailand, unless you have booked ahead, settle for nothing less than the warmest “land of smiles” hospitality.

Telephone
The Thai phone system is both modern and widespread, with comprehensive coverage for cell phones and reliable pay phones found throughout the kingdom. Purchasing a second-hand Thai phone is inexpensive and convenient, and calling from Thailand on a public phone is easy with a phone card available at most convenience stores. Emergency numbers are often three or four digit numbers, including Tourist Police, which is 1155.

Transport in Thailand

Airplane
Flying is the most convenient mode of transportation for traveling to Thailand, as visitors can fly to Thailand on non-stop routes from many corners of the globe on both international and Thai airlines. Furthermore, Thailand’s central location makes Thailand an ideal hub for exploring the rest of Asia. In addition to the primary international airport located in Bangkok, visitors from abroad can fly to Thailand on international flights destined for Chiang Mai, Phuket, Koh Samui, Krabi, and even Udon Thani and Hat Yai.

Domestic flights are also easy and convenient, cutting down on journey times and often costing less than travel by car or rail.

Charter flights to Thailand from Europe or Asia may arrange to land in Bangkok, Phuket, Chiang Mai, or Hua Hin.

As the major hub for air travel in and around Asia, a number of low cost airlines now serve Thailand for both domestic and international routes, and now flying to Thailand is both convenient and inexpensive.

Thailand has 6 major international airports;


![Suvarnabhumi Airport](http://suvarnabhumiairport.com/en)

2. Don Muang International Airport (In Bangkok) (+add link http://donmueangairportthai.com/en)

![Don Muang International Airport](http://donmueangairportthai.com/en)

3. Chiang Mai International Airport (+add link http://chiangmaiairportthai.com/en)

![Chiang Mai International Airport](http://chiangmaiairportthai.com/en)

5. Phuket International Airport (+add link http://phuketairportthai.com/en)

6. Hat Yai International Airport (+add link http://hatyaiairportthai.com/en)
And 24 domestic airports for commercial flights in major cities around the country.

<table>
<thead>
<tr>
<th>- Mae Hong Son Airport</th>
<th>- Khon Kaen Airport</th>
<th>- Ubon Ratchathani Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Surat Thani Airport</td>
<td>- Krabi Airport</td>
<td>- Sukhothai Airport</td>
</tr>
<tr>
<td>- Roi Et Airport</td>
<td>- Trang Airport</td>
<td>- Trat Airport</td>
</tr>
<tr>
<td>- Mae Sot Airport</td>
<td>- Nakhon Si Thammarat Airport</td>
<td>- Phitsanulok Airport</td>
</tr>
<tr>
<td>- Loei Airport</td>
<td>- Nakhon Phanom Airport</td>
<td>- Ranong Airport</td>
</tr>
<tr>
<td>- Lampang Airport</td>
<td>- Nan Airport</td>
<td>- Chumphon Airport</td>
</tr>
<tr>
<td>- Narathiwat Airport</td>
<td>- U-Tapao International Airport</td>
<td>- Phrae Airport</td>
</tr>
<tr>
<td>- Udon Thani International Airport</td>
<td>- Sakon Nakhon Airport</td>
<td>- Samui Airport</td>
</tr>
</tbody>
</table>

**Bus**

There are two main types of buses running to provinces around Thailand.

1. Non-air-conditioned buses operated by the government which are the cheapest and slowest.
2. Air-conditioned buses painted in blue. This type, run by both the government and private companies, is faster and more comfortable. Normally, there are two classes of air-con buses -- regular and 1st class; the latter have toilets.

For long routes like those going to Chiang Mai, Surat Thani and Phuket, there is another type called "VIP" or "sleeper" buses which have only 30 to 34 seats providing more leg room for each passenger and their fares are somewhat higher. For provincial bus terminals, call 1490 or visit www.transport.co.th

Train

Rail lines laid throughout Thailand create a 4,000 km system that is both efficient and comfortable. Passengers can travel by train from Chiang Mai to Bangkok to the Laos or Malaysian borders and many places in between. While the journey on a Thai train generally takes longer and can be more expensive than a voyage by bus, trains are safer and are generally more comfortable. Popular train routes include Bangkok to Chiang Mai and Bangkok to Surat Thani, the launching point for boats to Koh Samui.

There are three classes of Thai train service, allowing even the most budget conscious traveler to experience travel by train in Thailand. However, while first class is quite plush, featuring private cabins with twin sleeping arrangements and air conditioning on select routes, prices are often higher than flying the same route on a budget air carrier. On the other end of the spectrum, third class is cheaper than the bus but may not be the most comfortable way to spend 11 overnight hours. Second class prices on Thai trains are equivalent to first class bus tickets, both in price and in comfort, though the train has fold down beds and it’s easier to get up and stretch your legs on the train than on a bus.
Thai trains depart throughout the day, though some are express and some make frequent local stops and comprise of only third class seating. Train tickets sell out well in advance for some holidays and weekends, particularly the more limited sleeper cars and the wider, lower bunk, second class sleeper seats. It is advisable to book ahead through an agent, at the station, or from the State Railway of Thailand. 66(0)2-223-7010 or via email at SRT passenger-ser@railway.co.th for a 200 baht surcharge. Schedules and available seats are posted on their website: www.railway.co.th

Local Transport

1. Bus

Most big provinces have both public non-air-con bus and air-con bus services to destinations within the provinces and to other nearby provinces.

For more detail visit website: www.bmta.co.th

Vehicle Categories and Service Rate:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Color</th>
<th>Fare Rate</th>
<th>Service Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular bus</td>
<td>Cream-Red</td>
<td>6.50 baht</td>
<td>05.00 - 23.00 hrs.</td>
</tr>
<tr>
<td>Regular bus</td>
<td>White-Blue</td>
<td>7.50 baht</td>
<td>05.00 - 23.00 hrs.</td>
</tr>
<tr>
<td>Regular Express Way(Beige - Red)</td>
<td>Cream-Red</td>
<td>8.50 baht</td>
<td>05.00 - 23.00 hrs.</td>
</tr>
<tr>
<td>Regular Overnight(Beige - Red)</td>
<td>Cream-Red</td>
<td>8 baht</td>
<td>23.00 - 05.00 hrs.</td>
</tr>
<tr>
<td>Air Condition(White - Blue)</td>
<td>Cream-Blue</td>
<td>10 12 14 16 18 baht (depending on the distance traveled)</td>
<td>05.00 - 23.00 hrs.</td>
</tr>
<tr>
<td>Air Condition(Euro 2)</td>
<td>Yellow-Orange</td>
<td>11 13 15 17 19 21 23 baht (depending on the distance traveled)</td>
<td>05.00 - 23.00 hrs.</td>
</tr>
</tbody>
</table>
2. Taxi

Taxis are cheap and appear on virtually every corner at almost any time.

3. Sam-Lor or Tuk-Tuk

It is a three-wheeled taxi which comes in two types motorized and non-motorized. Motorized Sam-Lor or Tuk-Tuk can be found throughout the country while non-motorized ones (or tricycle), which mostly called Sam-Lor, are available in certain provincial towns. Both types of Sam-Lor are suitable for short trips only.

4. Songthaew
A songthaew is a passenger vehicle in Thailand and Laos adapted from a pick-up or a larger truck and used as a share taxi. It takes its name from the two bench seats fixed along either side of the back of the truck; in some vehicles a third bench is put down the middle of the seating area. Additionally a roof is fitted over the rear of the vehicle, to which curtains and plastic sheeting to keep out rain may be attached. Some vehicles have roofs high enough to accommodate standing passengers within the vehicle. More typically, standing passengers occupy a platform attached to the rear. Those in Thailand were known to English-speaking travelers as a baht bus, from the days when the usual fare was one baht.

Songthaews are used both within towns and cities and for longer routes between towns and villages. Those within towns are converted from pick-up trucks and usually travel fixed routes for a set fare, but in some cases (as in Chiang Mai) they are used as shared taxis for passengers traveling in roughly the same direction.

Literally meaning two rows, this is a small pickup truck with two benches, on at each side of the truck seating several people. It is a public transport which operates fixed routes like buses, but normally runs a shorter distance or within the province. Songthaew can also be chartered like a regular taxi.

5. BTS (Bangkok Mass Transit System Public Company limit)
The Bangkok Mass Transit System, commonly known as the BTS or the Skytrain is an elevated rapid transit system in Bangkok, Thailand. It is operated by Bangkok Mass Transit System Public Company Limited (BTSC) under a concession granted by the Bangkok Metropolitan Administration (BMA). The system consists of 34 stations along two lines: the Sukhumvit Line running northwards and eastwards, terminating at Mo Chit and Bearing respectively, and the Silom Line which plies Silom and Sathon Roads, the Central Business District of Bangkok, terminating at the National Stadium and Bang Wa. The lines interchange at Siam Station and have a combined route length of 36.45 kilometers (22.65 mi). The system is formally known as the Elevated Train in Commemoration of HM the King’s 6th Cycle Birthday.

For more detail visit website: [www.bts.co.th](http://www.bts.co.th)
The MRT Chaloem Ratchamongkhon Line or Blue Line is the first and currently only operating line of Bangkok's MRT system. Opened on 3 July 2004, it runs eastward from Bang Sue Station in Chatuchak District along Kamphaeng Phet, Phahon Yothin and Lat Phrao Roads, then turns south following Ratchadaphisek Road, then west following Rama IV Road to Hua Lamphong Station in Pathum Wan District.

For more detail visit website: www.bangkokmetro.co.th

7. Boat

The Chao Phraya Express Boat is a transportation service in Thailand operating on the Chao Phraya River. It provides riverine express transportation between stops in the capital city of Bangkok and to Nonthaburi, the province immediately to the north. Established in 1971, the Chao Phraya Express Boat Company serves both local commuters and tourists. It also offers special tourist boats and a weekend river boat tours, as well as offering boats available for charter. Along with BTS Sky train and Bangkok Metro using the boats allows commuters to avoid traffic jams during the peak hours on weekdays.

The 21 kilometres (13 mi) route is served by 65 boats and operates from 06:00–21:30 (last departure from CEN-Sathorn pier of a yellow flagged boat) on weekdays and from 06:00–18:40 on weekends and holidays. Current prices are from THB9 (Local line for distance within one zone) to THB30 (for green-yellow
flag trip on its entire route from Pakkret to Sathon), depending on the type of boat and the distance travelled. The river boats carry an average of about 40,000 passengers per day.

**For more detail visit website: [www.chaophrayaexpressboat.com](http://www.chaophrayaexpressboat.com)**

8. **Motorcycle**

Drivers of motorcycle taxis in Bangkok wear orange vests.

9. **Airport Rail Link**

**Airport Rail Link Route**

The **Express Service** is a 15-minute non-stop journey between the City Terminal and the airport with a fare at Bt150 per trip.

**City Line** commuter trips, with set fares at Bt15-Bt45, take 30 minutes to reach the airport, departing from Phaya Thai, Ratchaprarop, Makkasan, Asoke, Ramkhamhaeng, Hua Mak, Ban Thap Chang, and Lat Krabang stations, and will end at the last stop of Suvarnabhumi Airport.

**For more detail visit website: [Airport Rail Link website](#)**
Get to know Bangkok
Bangkok, The City of Angels or "Krungthep" in Thai, is the capital city of Thailand. Bangkok is the hub for most of the commercial and economic activities of the Kingdom. At the same time, the City is very famous and appreciated by visitors for its versatility and multiple points of interests. From temples, the Grand Palace, encompassing some of Asia's largest shopping centers and the largest outdoor market of Asia (Chatuchak), Bangkok definitely has what it takes to entertain visitors from all walks of life, either first time or return travelers. Whilst Taxi fares are very reasonable, most of the sightseeing can comfortably be reached by Skytrain (BTS) or Underground train (MRT). A part from the sightseeing and shopping, Bangkok has developed into a magnet for food lovers of all cuisines. The same range of choice applies to the accommodation options all over town, from high end international chain hotels to family run guesthouses; demands of all travelers are guaranteed to be met.

For more detail visit website: [http://wikitravel.org/en/Bangkok](http://wikitravel.org/en/Bangkok)

**Download Map**
1. Map of Bangkok >> Click [download]
2. Map of Central Bangkok >> Click [download]
3. Bangkok Metro System >> Click [download]
4. Chao Phraya Express Boat Map >> Click [download]

**Attractions**

Bangkok is a great place to be where you can relax, shopping and sightseeing.

- The Grand Palace (Phra Borom Maha Ratcha Wang) is definitely the one must-see monument in the Capital. A former Residence of the Thai Royals, it was founded in conjunction with the moving of the capital across the river to the actual Bangkok city, where it is today. Throughout the years, the buildings have been developed and added to its grandeur. It is located in the Phra Nakorn district and offers spectacular architecture, sightseeing and will remain as stunning memories to all visitors.

- Khao San Road is the best known area among backpackers and budget travelers in Bangkok. Scores of tourists from all over are populating the numerous guesthouses and small hotels at any given time of the year. The pubs, clubs and other bar scene in Khao San Road are definitely worth a trip to soak up the atmosphere of the area. The multitude of shops, Tattoo studios as well as Internet cafés, complete the picture and fulfill the need of anyone far away from home.
• Siam Square covers probably the needs of any shoppers heading to Bangkok. All Luxury brands are well represented in Asia's largest shopping mall, Paragon, located next to Siam Center and Siam Discovery, all on the Northern side of the Siam Skytrain (BTS) station. This station serves as only interchange station between the BTS Sukhumvit and Silom lines. On the Southern side, there is a large shopping area populated with an impressive number of small gift shops, upcoming designer outlets and homely restaurants, all within easy walking distance. In addition Bangkok's iconic Hard Rock Café is located in Siam Square area. On the Eastern side it is connected by a bridge to MBK center, famous shopping mall for electronics and fashion accessories, all under one roof.

• Chinatown is located in the Rattanakosin area of Bangkok and consists mostly of the old town. It is easily recognizable by the Giant Swing, of which, its presence marks the area. There are number of buzzing markets, eateries, gold and pawn shops to be discovered by travelers in a labyrinth of small streets. Chinatown has many hotels and open air restaurants as well.
Festival Time

LOY KRATHONG – THAILAND FLOATING FESTIVAL (25 November 2015)

Loy Krathong is an annual Thai festival held throughout the country. It is held in the 12th month of the Thai Lunar Calendar, on the night of the full moon, which usually occurs in November. This is a good time of year for a celebration, the main rice harvest seasons are over, so there’s now plenty of time to celebrate. While not an official public holiday, it is Thailand’s second most widely celebrated festival, after the Songkran Thai New Year celebration. Much like Thailand itself, Loy Krathong is a bit of a contrast between the countries traditionally conservative values and its modern day practice.

Historically Loy Krathong is a day where the Thai people make offerings in the form of ‘krathongs’ – a floating raft made of banana leaves, filled with candles, sparklers and other offerings, and then ‘loy’ (float) them down a river or canal. This floating of offerings down the river is seen as a way to release all the past years anger, resentment, indiscretions and start afresh. The decorations and offerings placed into the krathongs also act as an offering to the river gods, and are expected to bring good luck. Additionally, Thais release floating lanterns made from rice paper and candles into the sky, making a wish and asking for merit.
On Loy Krathong day you can observe many things:
- Thais releasing their Krathongs into the canals and rivers
- Skies lit up by thousands of floating lanterns
- Fireworks displays in the larger cities
- Beauty competitions
- Parades and decorated floats marching throughout the streets
- Couples wishing for a prosperous future and singles praying for their soul mate

Where is Loy Krathong Celebrated?
Loy Krathong is celebrated all over Thailand, with larger cities organizing more elaborate fireworks displays and parades.

Bangkok – Bangkok’s famous Chao Phraya River is the place to be, with huge crowds gathering to float their krathongs. Fireworks light up the sky throughout the city. Be warned however, the Thai Government has recently announced a crackdown on the use of fireworks in the capital during the festival, although its not always enforced.

Sukhothai – Said to be where Loy Krathong first originated, Sukhothai is famous for its Loy Krathong celebrations, which last over several nights.

Chiang Mai – Well known for it’s beautiful and elaborate celebrations and festivals, Loy Krathong in Chiang mai is no exception. The festival has events scheduled over 4 days leading up to and after the full moon night. One of the most spectacular sights is the mass lanterns which are released in Mae Jo, located 13 km outside of the city centre. In Chiang Mai and Northern Thailand the festival is also referred to as Yi Peng.
How to Participate

If observing the spectacle of Loy Krathong isn’t enough, you can take part by buying your own krathongs from local shops and markets (or make your own if you prefer), and make an offering in any river or canal. Floating lanterns are also sold widely, from street vendors, markets and local shops.

If fireworks are more your style, many street vendors start stocking them leading up to Loy Krathong and can be purchased with no hassle. Be warned that government officials often release statements about cracking down on firework sales leading up to festivals in Thailand, so be careful.
# Emergency and Important Telephone numbers

## Emergency Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Phone Number</th>
<th>Service</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Services</td>
<td>191</td>
<td>Tourist Police</td>
<td>1155</td>
</tr>
<tr>
<td>Fire</td>
<td>199</td>
<td>Emergency Medical Service</td>
<td>1669</td>
</tr>
<tr>
<td>Ambulance</td>
<td>1646</td>
<td>Thailand Tourism</td>
<td>1672</td>
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</table>

## Hospitals

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Phone Number</th>
<th>Hospital</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangkok Christian</td>
<td>02 235 1000-7</td>
<td>Phaya Thai 2</td>
<td>02 617 2444</td>
</tr>
<tr>
<td>Bangkok International</td>
<td>02 310 3000</td>
<td>Piyavate</td>
<td>02 625 6500</td>
</tr>
<tr>
<td>BNH Hospital</td>
<td>02 686 2700</td>
<td>Police General</td>
<td>02 252 8111</td>
</tr>
<tr>
<td>Bumrungrad International</td>
<td>02 667 1000</td>
<td>Praram 9</td>
<td>02 202 9999</td>
</tr>
<tr>
<td>Camillian</td>
<td>02 391 0136</td>
<td>Prommitr</td>
<td>02 259 0373</td>
</tr>
<tr>
<td>Deja</td>
<td>02 246 0137</td>
<td>Rutnin Eye</td>
<td>02 639 3399</td>
</tr>
<tr>
<td>Lerdsin</td>
<td>02 353 9798-9</td>
<td>Saint Louis</td>
<td>02 210 9999</td>
</tr>
<tr>
<td>Paolo Memorial</td>
<td>02 279 7000</td>
<td>Samitivej Sukhumvit</td>
<td>02 711 8000</td>
</tr>
<tr>
<td>Petcharavej</td>
<td>02 318 0080-1</td>
<td>Sukhumvit Hospital</td>
<td>02 391 0011</td>
</tr>
</tbody>
</table>
Spouse Programme

Forum for Asian Insolvency Reform (FAIR)

17th September 2018
At Anantara Siam Bangkok

Sponsored by the Ministry of Justice, Thailand
# Spouse Programme*

*17th September 2018*

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>09.00 am.</td>
<td>Meeting Point at the lobby of Anantara Siam Bangkok</td>
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<tr>
<td>09.15 am.</td>
<td>The bus leaves the hotel</td>
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<tr>
<td>10.30 am.</td>
<td>Arrives at the “Old Bangkok”</td>
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<tr>
<td>10.30 - 11.30 am.</td>
<td>Walk around the Grand Palace and the Emerald Buddha Temple</td>
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<tr>
<td>11.45 – 12.45 am.</td>
<td>Walk around the temple of the Reclining Buddha</td>
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<tr>
<td>12.45 – 13.45 am.</td>
<td>Lunch</td>
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<tr>
<td>14.00 am.</td>
<td>Leave the “Old Bangkok”</td>
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<tr>
<td>15.00 am.</td>
<td>Drop off at MBK Shopping Mall</td>
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<tr>
<td>15.15 am.</td>
<td>Drop off at Central World Shopping Mall</td>
</tr>
<tr>
<td>15.30 am.</td>
<td>Drop off at Anantara Siam Bangkok</td>
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</tbody>
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*Free of charge and the snack box is complimentary*

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**Dress Code**

Please do not wear these following dresses when entering a temple or place of worship.

- No sleeveless shirts
- No vests
- No short top
• No see-through tops
• No short hot pants or short pants
• No torn pants
• No tight pants
• No slippers

❖ **Recommendation**

Please bring these following items with you on the journey day.

• Hat
• Sunglasses
• Umbrella / rain coat