Insolvency Best Practices: A Roadmap for Reform in Africa

Many bankruptcy laws on the African continent might be considered outdated and poorly equipped to deal with current concerns on the ground, such as the large number of informal and micro businesses, the lack of a business rescue culture and the cultural stigma of bankruptcy. Even when these laws are modernized, a possibly greater challenge in strengthening the region’s credit environment is the general disconnect between formal insolvency laws and how they are applied in practice, for instance, via a country’s institutional framework. The objective of this conference is for policy makers, regulators and private practitioners to focus on specific current challenges that are hindering the development of insolvency regimes in Africa; and to develop a toolkit that will have maximum impact in strengthening these regimes. In effectively leveraging the full range of best practice standards, innovative technologies and flexible tools, it is hoped that viable assets will continue to retain their productive value in the economy, stakeholder returns will increase whilst entrepreneurship and job creation will be stimulated.

Kindly supported by:

Bowman Gilfillan Africa Group
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The Business Advisory Group
Agenda

Friday 7 September

8.30 - 9.00 Welcome coffee and tea
Registration

9.00 - 9.30 Welcome and Introduction to the Africa Round Table
Sumant Batra, IMF Expert Consultant, Immediate Past President INSOL International and Chairman Africa Roundtable
Mahesh Uttamchandani, World Bank Group

9.30 - 10.00 Taking Stock of ART 2011 and Goals of ART 2012
Share any concrete developments arising out of ART 2011, introducing the objective and aspirations of ART 2012, what the roundtable hopes to achieve in ART 2012 and providing key facts on the divergence between laws and the implementation of best practices on the African continent.

10.00 - 10.20 Keynote Address:
The importance of converging best practices with implementation in Africa

10.20 - 10.40 Coffee break

10.40 - 12.00 Peer to Peer Workshop
A regional overview of insolvency law reform in Africa, including:
- Analysis of barriers to reform that are specific to Africa;
- Review of insolvency reforms recently undertaken in various African countries;
- Concrete discussion of what next steps need to be put in place to improve insolvency reform (including input from other policymakers in attendance); and
- Exploration of whether any countries can collaborate to improve knowledge sharing and development of insolvency regimes.

12.00 - 1.00 Best Practices Regional Insolvency Reform in Africa
A presentation and dialogue on the application of best practices in the reformed uniform insolvency laws in Africa to date
- The experience of the OHADA insolvency law; and
- The proposed East Africa Common Market insolvency law.

1.00 - 2.30 Lunch and Networking sponsored by Hamilton Harrison & Mathews
2.30-3.45 Building an Enforceable Legislative Framework

- Identifying best practices in comparative insolvency regimes;
- Cross-border insolvency and why it matters;
- Identifying necessary institutions; stakeholders and
- Identifying necessary standards for professionals

3.45-4.00 Coffee break

4.00-5.00 Best Practice Priorities for Africa in the 21st Century

This session will set up the discussion for Day 2 and will introduce a few key topics that appear to be particularly problematic in practice.

- Insolvency for micro small and medium enterprises (MSMEs);
- Facilitating informal corporate workouts and other flexible business rescue tools;
- Role of insolvency professionals in effective implementation; and
- Building institutional, technological and human capacity

5.10 Close

Cocktails and Dinner hosted by Coulson Harney
Saturday 8 September

8.30-9.00 Welcome coffee and tea

9.00-10.30 Insolvency for micro small and medium enterprises (MSMEs)

MSMEs have particular characteristics which can make mainstream insolvency inefficient, costly and time consuming mechanism for alleviating financial distress. In this session, participants discuss issues such as:

- The link between formality and forgiving bankruptcy regimes;
- How insolvency procedures can better address MSE financial distress; and
- Policies, standards and programs that aim to encourage entrepreneurship.

The obstacles that MSMEs face in insolvency regimes will also be discussed in each of the following sessions.

10.30-10.45 Coffee break

10:45–11.45 Facilitating informal corporate workouts through Alternative Dispute Resolution and other flexible business rescue tools

The benefits of implementing flexible workout tools can be significant. Participants will discuss issues such as:

- How informal tools can be effective in resolving debts and encouraging lending;
- The broad range of restructuring mechanisms that countries are developing to suit their particular economies;
- How Alternative Dispute Resolution assists in debt recovery; and
- How tax treatment can affect restructurings.

11.45-12.45 Building institutional, technological and human capacity

Courts, regulators, the judiciary, insolvency practitioners and their relationship with developing technologies can all have a positive impact on developing a country’s insolvency regime. This session will address ways to:

- Ensure that courts are fully-equipped with the procedures and expertise to handle complex insolvency cases; and
- Discuss how countries are leveraging technology to strengthen their justice systems.

12:45–2.00 Lunch and Networking sponsored by Hamilton Harrison & Mathews
2.00-3.00 Role of insolvency professionals in effective implementation
- Service and train insolvency practitioners to deliver higher recovery rates.
- The technique to maintain discipline and market share

3.00-4.00 Appreciating ART-work: Leveraging our Regional Network of Experts
Brainstorming and taking practical steps to improve the interaction and cooperation of policy makers, insolvency practitioners and legal practitioners within the region

4.00-4.30pm Wrapping-up and Next Steps